National Health Insurance Act, 1918.

SUPPLEMENT

TO THE

HANDBOOK

FOR THE USE OF

APPROVED SOCIETIES

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.
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1918.

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Prefatory Note.

For the convenience of Societies, as simple phraseology as possible has been used in this document. It is important to bear in mind that it is the provisions of the Acts or the Regulations themselves that have binding force in law.

A volume containing the text of the National Insurance (Health) Acts, 1911-1918, as now in force, and of all the Regulations affecting the administration of Approved Societies, has been issued by the Commissioners, and may be obtained from the usual agents for the sale of Government publications.

Many parts of the Approved Societies Handbook (provisional issue August, 1915) are no longer applicable in view of the amendments introduced by the 1918 Act. As the present document deals not only with the permanent changes introduced by the Act of 1918, but also with certain transitional matter incidental to the introduction of the new provisions, it is not thought advisable at this stage to issue a complete revised Handbook, and the issue of a large number of copies of any such book would, in any case, be out of the question at the present time, in view of the shortage of paper. It is, however, intended to issue a complete Handbook after the War. In the meantime it may be convenient to Societies to have a Schedule of the parts of the present Handbook which are no longer applicable, and Societies will be well advised to cancel these parts in order that they may still continue to use the Handbook so far as it still correctly represents the position. The appended table also shows the paragraphs of this Supplement which supersede, or should be read in conjunction with, the corresponding paragraphs of the Handbook.

TABLE OF MODIFICATIONS OF 1915 HANDBOOK

Paragraphs of 1915 Handbook which should be cancelled.	Paragraphs of 1915 Handbook which should be read in conjunction with corresponding paragraphs in 1918 Supplement.	Relative paragraphs of 1918 Supplement.
—	39	95–6
—	42 (g)	104
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—	139–161	175
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—	224–236	See Circ. A.S. 136
—	237–246	See Circ. A.S. 163B and para. 88
—	250–251	15–18
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—	272	57
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—	277	10–11
—	286 (i)	17–18

TABLE OF MODIFICATIONS OF 1915 HANDBOOK—*contd.*

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—	286 (iv)	101
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—	440 (b)	31
—	441	229
446 (b) and (c), 447	—	28–32 and 38
448	—	58
—	452	[A revised table will be issued in due course.]
465–476	—	3 (g)
477–512	—	26–44
513–533.	—	220–228
536	—	Sect. 27 (1) (c) of 1918 Act.
—	539–540	75 (1)
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569–579	—	3 (a) and 5 (b)
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—	Circs. A.S. 151 and 151A.	176–219
Circ. A.S. 172	—	69–74

This Document is issued on behalf of the Insurance Commissioners for England, Scotland and Wales. Societies having members in Ireland should refer to the corresponding document issued by the Irish Insurance Commissioners.

NATIONAL HEALTH INSURANCE ACT, 1918.

Supplement to the Handbook for the use of Approved Societies.

1. The following explanations and instructions relating to the principal changes which will take effect on the 1st July, 1918, mainly as the result of the coming into operation of the National Health Insurance Act, 1918, and the Regulations thereunder, should be made known by Societies as soon as possible to all of their officials concerned in the administration of the Acts.

PART I.—GENERAL PROVISIONS OF THE ACT.

(A) Uniform Rates of Contributions and Benefits.

2. Subject to the exceptions set forth in (C) below, the weekly contributions for all members of Approved Societies, whether employed or voluntary contributors, will, from *1st July, 1918*, be at the rate of 7d. for men and 6d. for women, and the ordinary rates of sickness benefit will be 10s. a week for men and 7s. 6d. a week for women, but until 104 weeks have elapsed from entry into insurance, and 104 contributions have been paid, the rates will be 6s. a week for men and 5s. a week for women. Sickness benefit is not, of course, payable until a person has been insured for 26 weeks and 26 contributions have been paid.

(B) Special Rates of Contributions or Benefits Abolished.

3. The following exceptions to the normal rates of contributions or benefits, or both, which have hitherto been in force, will be abolished from the 1st July, 1918 :—

(*a*) *Voluntary Contributors* (Classes CC, D, FF, G). Subject to the exception referred to in paragraph 5 (b) below, all voluntary contributors, whatever the date of their entry into insurance (whether before or after 1st July, 1918) will pay contributions at the normal rates (7d. men; 6d. women), and their rates of sickness benefit will be the normal rates set forth in (A) above. Classes CC, D, FF, and G will therefore be abolished, and all voluntary contributors will belong to Class C (men) or F (women).

It should be noted that the right to become voluntary contributors will in future be limited to persons who have been employed and insured as employed contributors for at least 104 weeks. (See paragraph 64.) Societies need not concern themselves

with the provision of Section 7 (1) (b) of the 1918 Act, which is of strictly limited application.

(b) *Low-Wage Earners.* Contributions will be paid at the normal rate in future in the case of low-wage earners, the employer having the right of recovering the State 1d. by direct application to the Commissioners. There will, therefore, in future be no special cards [A(L) and E(L)] for low-wage earners; ordinary [A and E] cards will be used, and will be stamped at the full rate of 7d. or 6d. The amount to be recovered from the employee remains unchanged.

(c) *Persons whose employers are liable to pay wages during sickness* (Sections 47 and 53 (2) of the 1911 Act). These Sections are repealed as from 1st July, 1918, and the ordinary weekly contributions will therefore be payable in respect of persons for whom the reduced rate of contribution has hitherto been paid. Such persons will also be entitled to sickness benefit at the ordinary rates and under the ordinary conditions. They will no longer be disentitled to sickness benefit for the first six weeks of the period during which the employer may be liable to pay full wages. Where a person who has been insured under the special conditions of Section 47 is incapable of work on 1st July, 1918, but has not been in receipt of sickness benefit by reason of the disentitling provisions of that Section, he will become entitled to benefit on 1st July, 1918, provided that the Society is satisfied that he has then been incapable of work for three days.

(d) *New Entrants into Insurance.* Section 9 (4) of the 1911 Act is repealed, and all persons who entered into insurance after 12th October, 1913, or enter at any future date, will be entitled to sickness benefit at the ordinary rates set forth in (A) above, without the payment of any capital sum or additional weekly contribution. Any members who have been paying an additional weekly contribution in order to secure full sickness benefit should be supplied in future with ordinary (A or E) cards, and their attention should be called to the fact that their rate of contribution will be reduced to the ordinary rate.

(e) *Persons under 21 years of age without dependants.* Section 9 (1) of the 1911 Act is repealed, and there will, therefore, in future be no special rates of sickness or disablement benefit for persons under 21 without dependants. All such persons will be entitled to benefit at the ordinary rates set forth in (A) above, whether they have dependants or not.

(f) *Cases where the ordinary rate of sickness benefit exceeds two-thirds of the usual rate of remuneration.*

Section 9 (2) of the 1911 Act is repealed, and there cannot, therefore, in future be any reduction in the rate of sickness benefit on the ground that the rate of benefit exceeds two-thirds of the member's usual rate of remuneration.

(*g*) *Aliens.* Section 45 of the Act of 1911 has been repealed, and until regulations to the contrary are made, there will, therefore, be no special rates of benefits for aliens, Classes A2, E2, etc., being abolished.

4. From 1st July, 1918, there will be only the following classes of insured persons :—

Class.	Description.	Rate of Contribution.
		d.
A.	Men employed contributors	7
A.(M.)	„ „ on foreign trade ships .	6
B.	„ in Navy, Army or Air Forces ..	3
C.	„ voluntary contributors	7*
E.	Women employed contributors ..	6
E.(M.)	„ „ on foreign trade ships	5
F.	„ voluntary contributors ..	6*
K.	„ entitled to special benefits on or after marriage	Nil

* If a voluntary contributor is not entitled to medical benefit (see paragraph 5(b) next page), the rate of contribution is reduced by 1½d.

The reduction in the number of different types of contribution cards should lead to a reduction in the total number of contribution cards required by Societies to meet all possible demands of their members. Many Societies requisition a much greater supply of contribution cards than can be justified on their membership figures, and the Commissioners intend in future to use the power conferred on them by Section 7 of the 1911 Act and the regulations made thereunder of making a charge against a Society for so much of any supply as in their opinion is in excess of the reasonable needs of the Society. Societies should therefore, before the issue of the cards for the period beginning in December, 1918, is made, examine, and, where necessary, revise, their distribution arrangements with a view to reducing to the lowest possible figure their demands for contribution cards.

(C) Special Rates of Contributions or Benefits Still Remaining in Force.

5. The following are the only cases in which there will be any exceptions after *1st July, 1918*, to the ordinary rates of contributions and benefits set forth in (A) above :—

(*a*) *Existing Late Entrants.* The following classes of persons will be entitled to sickness benefit at the full

rate, even though they may have been insured for less than 104 weeks—*

(1) Persons who entered, or re-entered, insurance before *1st July, 1917*, and have been continuously in insurance up to 1st July, 1918;

(2) Persons who, before *1st July, 1918*, paid a capital sum in order to qualify for full benefits in accordance with Section 9 (4) of the 1911 Act, and have been continuously in insurance since the date of such payment.

In the case of persons who do not fall within (1) or (2), but who, on the 1st July, 1918, are actually receiving sickness benefit at a higher rate than 6s. in the case of men, or 5s. in the case of women, the rate of benefit will continue to be that higher rate *until the termination of the incapacity*, subject to the usual time limit of 26 weeks for continued benefit.

(*b*) *Voluntary contributors resident in Great Britain whose total income from all sources exceeds £160 a year.* In this case the weekly contribution will be reduced by 1½d., and the contributors will not be entitled to medical benefit.

Where a member not being engaged in manual labour has ceased to be employed within the meaning of the Acts by reason of the *rate of his remuneration* being raised to more than £160 a year, and has become a voluntary contributor, the Society should take steps to ascertain whether his *total income* has actually exceeded £160 a year or not. For this purpose it is suggested that at a convenient opportunity, e.g., after the end of the contribution year, the Society should ask him whether his income from all sources during the past year has exceeded £160. If it is found that his income has exceeded this limit, he should be informed that his title to medical benefit will cease from 31st December next following, and that from that date his rate of contribution will be 5½d. only, instead of 7d., or, in the case of a woman, 4½d. instead of 6d.

(*c*) *Foreign-going Seamen.* In the case of foreign-going seamen the rate of contribution will be 6d. in the case of men and 5d. in the case of women for every week of employment on a foreign-going vessel. (See Q below.)

(*d*) *Serving sailors, soldiers, and airmen.* The weekly contribution in this case is 3d., and the only benefit payable during service is maternity benefit.

* NOTE.—A person who entered insurance on or after 1st July, 1917, and has proved that his time since attaining the age of 17 was spent in the completion of his education will not be entitled to sickness benefit at the full rate from 1st July, 1918, until he has been insured for 104 weeks and 104 contributions have been paid.

(e) *Married women who have ceased to be employed.* No contributions are payable after marriage by women who have ceased to be employed, but a special scheme of benefits is provided for them. (See below.)

(D) Applications for Membership of Societies.

6. If an insured person who is not a member of any Society completes a form of application for membership of a Society and delivers it to the Society or an agent thereof, and does not, within three months from the date of delivery, receive notice in writing from the Society that his application has been rejected, he is to be considered to have been admitted to membership as from the date of the delivery of his application.

7. In view of this provision, it is important that every Society should see that forms of application for membership are supplied promptly to all insured persons who intimate their desire to become members of the Society, and that the forms are properly filled up and forwarded to the Head Office of the Society or in the case of a Society with branches, to the Office of the branch. The application should be considered by the proper authority as soon as possible after its receipt, and, in any case where it is decided not to accept the applicant, written notice of rejection should be sent without delay. **Societies are reminded that contribution cards must in no circumstances be supplied to, or collected from, persons who have not been admitted to membership.***

(E) Time for Joining an Approved Society.

8. The Regulations fixing the time within which an insured person may join an Approved Society without first becoming a deposit contributor have been amended, and the position is now as follows :—A person who enters into insurance as an employed contributor may join an Approved Society at any time before the 1st April or 1st October next following the end of the contribution half-year in which he first becomes insured. If he does not join a Society within that time he becomes a deposit contributor as from the date of his entry into insurance; but he may subsequently transfer at any time to an Approved Society. A person who joins a Society within six months after the expiration of the time named above and has not, prior to the date of joining, surrendered a contribution card to the Commissioners, may, however, if the Society so decides, be treated as a member as from the date of his entry into insurance.

EXAMPLE.—A.B. becomes employed and insured as an employed contributor on 21st September, 1918. If he is admitted to membership of an Approved Society on any date before 1st April, 1919, he is treated as a member of the Society as from the date of his becoming insured. If he has not joined a Society before the 1st April, 1919, he becomes a deposit contributor from the date of his entry into insurance, and an account will be opened for him in the Deposit Contributors' Fund as soon as he surrenders a contribution card to the Commissioners. If, however, before 1st October, 1919, he joins a Society and for some reason has failed to surrender his first card to the Commissioners, he may, if the Society so decides, be treated as a member as from the date of his entry into insurance If he joins a Society after 1st October, 1919, his contri-

* NOTE.—A receipt should be given to an insured person if he completes and delivers to a Society or its representative a form of application for membership. For this purpose, it is suggested that Societies would find it convenient to have a form of receipt on a perforated slip attached to the form of application.

bution cards for the second half of 1918 and the first half of 1919 must be surrendered to the Commissioners, and he must be established as a deposit contributor and his transfer effected from the Deposit Contributors' Fund to the Society.

In the case of a person who enters into insurance on becoming employed on a foreign-trade ship [Class A (M) or E (M)], or who becomes employed on any such ship within three months after his entry into insurance as an employed contributor, the time within which he may become a member of a Society without first becoming a deposit contributor, is as in the ordinary type of case explained above, or, if the Society so desires, any time before the expiration of three months from the date of termination of such voyage.

(F) Waiting Period for Maternity Benefit.

9. In the case of all persons who enter into insurance after *6th February, 1918*, maternity benefit will not be payable until 42 weeks have elapsed from the date of entry into insurance and 42 weekly contributions have been paid. The condition applies to employed contributors and voluntary contributors alike, and whether the maternity benefit is payable in respect of a man's insurance or a woman's insurance.

(G) Notice of Illness.

10. Under the Rules of most Societies members are already required to send notice to their Societies immediately they become incapable of work. The 1918 Act strengthens the position of Societies in dealing with members who, without reasonable cause, fail to give prompt notice of incapacity, by providing that where an insured person fails to give notice of incapacity within three days from the commencement thereof, his sickness benefit will only be payable from the day following that on which notice is given, or, if the incapacity is treated under Section 8 (5) of the 1911 Act as a continuation of a previous illness, on the day next but one before the date on which notice is given, i.e., in such cases the day on which notice is given is treated as the third day of incapacity.

11. If, however, the Society is satisfied that the member could not reasonably have given notice either

(*a*) before the date on which it was in fact given, or
(*b*) before some earlier date which is more than three days after the commencement of the illness.

benefit will be payable from the fourth day of incapacity, or, in the case of a linked-up illness, from the first day of incapacity ; in cases under (*b*), however, i.e., where the member was unable to give notice within three days of the commencement of incapacity; but delayed giving it after he was reasonably able to do so, benefit will not be payable for the period commencing on the day on which he could reasonably have given notice and ending on the day on which notice was actually given.

NOTE.—Where notice of illness is sent by post, it is to be considered to have been given on the day on which the letter was posted.

EXAMPLE 1.—A.B. becomes incapable of work on Tuesday, 10th September, 1918, before his usual hour of commencing work, not having had a previous illness within the past twelve months. If he sends notice of illness to his Society on Tuesday, 10th September, or either of the two following days, his benefit will commence, subject to the usual conditions being satisfied, on Friday, 13th September. If he delays giving notice of his illness until Wednesday, 18th September, and can furnish no satisfactory explanation, his benefit will not commence until Thursday, 19th September. If, however, he can satisfy the Society that he could not reasonably have given notice before 18th September, *e.g.*, owing to the fact that, living in a remote country district, his doctor was not able to see him until that date, benefit will be payable from the fourth day of illness, *i.e.*, 13th September.

EXAMPLE 2.—C.D. becomes incapable of work on Friday, 18th October, 1918, having done some work on that day. He is rendered unconscious, and the circumstances are such that notice could not have been given to his Society until Wednesday, 30th October. He does not, however, give notice until Monday, 11th November. (He does not work on Sundays.) Benefit commences on Wednesday, 23rd October, and continues until Wednesday, 30th October inclusive. No benefit is payable for the period from Thursday, 31st October, to Monday, 11th November inclusive, but benefit commences again on Tuesday, 12th November.

(H) Payment of Contributions during Sickness and Unemployment.

12. An employed contributor may not affix stamps himself to his contribution card, for weeks during which he is not employed, except where less than 104 weekly contributions have been paid by or in respect of him. This prohibition is necessary in order to prevent a person from affixing stamps to his own card in respect of a period of unemployment in order to prolong his period of free insurance (see paragraph 58), or in order to get the advantage of the arrears scheme for employed contributors though only intermittently employed. (See paragraph 110.)

13. The right of an employed contributor to pay contributions for weeks of unemployment (as above) is strictly limited. Payment may be made only in respect of periods during which the member was incapable of work or was genuinely unable to obtain employment, and it is open to a Society to satisfy itself that one of these conditions applied in respect of each week for which the member has himself affixed a stamp. If a member in these circumstances wishes to pay contributions he may do so either in the contribution year in which he was sick or unemployed or in the ensuing period of grace. He may not pay subsequently. It should be noted that qualifying contributions should be paid at the full rate on the ordinary contribution card (A or E), and in no circumstances should an arrears card (R) be used for the purpose. Where a member wishes to pay during the period of grace after he has surrendered his contribution card a fresh card should be supplied to him. The right to pay contributions during sickness or unemployment ceases as soon as 104 contributions have been completed. It is important to bear in mind that the payment of the full contribution by the employed person himself in order to qualify for benefit does not affect the date from which the free year's insurance after cessation of employment is calculated (see paragraph 58 below).

14. Where an employed contributor has ceased to be employed and has notified his Society of his intention to become a voluntary contributor, he should be supplied with a voluntary contributor's card, but until so supplied he may stamp his employed contributor's card as from the date on which he ceased to be employed.

(J) Benefits of Inmates of Hospitals, Workhouses, &c.

15. Section 12 of the 1911 Act has been modified by Section 20 of the 1918 Act.

16. Section 12 (1), however, still remains, under which no sickness, disablement, or maternity benefit may be paid to any person during any period when he is an inmate of any workhouse hospital, asylum, convalescent home, or infirmary supported by any public authority or out of any public funds or by charity or by voluntary subscriptions or of a sanatorium or similar institution approved under the Act. (See paragraph 247, et seq. in Handbook.)

17. Section 12 (2) has been repealed, and from 1st July, 1918, the benefit accruing in respect of a person in a hospital or other institution will be dealt with as follows :

(*a*) If he has dependants, the Society may, after consulting him whenever possible, pay the benefit in whole or in part to his dependants, or apply it for their advantage.

(*b*) If he has no dependants, or if he has dependants but some of the money has not been so paid or applied, the Society may, *but only if the insured person so authorises*, use the money in defraying any expenses for which he may be liable (otherwise than to the institution) while he is an inmate—e.g., in paying the rent of his house.

(*c*) So far as the benefit is not so expended, the Society may, *but here again only if he so authorises*, pay over the whole, or any part, of the balance to the institution, but not where that institution is a workhouse,* poor law infirmary, asylum, or other similar institution maintained out of public funds or, if he is an inmate in receipt of sanatorium benefit, is a sanatorium approved under the Act.

(*d*) Where the inmate is an insured married woman or widow, and the sum accruing while she is in the institution includes a double maternity benefit, the maternity benefit payable in respect of her husband's insurance, or, if her husband is not insured or no maternity benefit is payable from his insurance, one maternity benefit in respect of her own insurance, will not be paid to or applied for the maintenance of her dependants, but may be paid wholly or partly to the institution as if she had no dependants.

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* *In Scotland* "poorhouse."

(*e*) Any balance of benefit accruing while an insured person is in an institution, which is not paid or applied in the manner above-mentioned, is to be paid in cash (either in a lump sum or in instalments) to the insured person after he leaves the institution.

If, however, the insured person dies in the institution any benefit remaining unpaid at the time of his death is payable to his nominee or to the persons entitled to succeed to his money on his death, as in the case of any other benefit remaining unpaid on the death of an insured person. (See M below.)

18. With reference to the foregoing, it should be observed that the provisions of the 1911 Act authorising Societies to make agreements with hospitals, etc., supported by charity or voluntary subscriptions, have been repealed. Another important result of the new section is that after *1st July, 1918*, Insurance Committees will not be entitled to receive any benefit payable in respect of an insured member without dependants who is an inmate of a sanatorium.

(K) Compensation or Damages.

(a) *Recovery of Advances.*

19. Where, pending the settlement of a claim for compensation or damages by an insured member against his employer (or some other person), a Society has paid benefit by way of advance under Section 11 (3) of the 1911 Act, it is now, by Section 19 (1) of the 1918 Act, given the right to recover these advances from the person liable to pay the compensation. To secure this right, the Society must give notice to the employer that it has made or intends to make such advances to the insured person. The notice, which is called a "Notice of Advance," must be in the prescribed form* (Form A.S. 182, Part I.), and must be addressed to the employer at his residence or place of business.

20. The employer will then be liable to repay to the Society the total sum advanced, except where that sum exceeds the amount of compensation for which he was still liable at the date on which he received the Notice of Advance. In that event, the amount repayable to the Society will be a sum equal to the amount of the compensation then payable. The amount payable by the employer to the employee as compensation will be proportionately reduced.

21. If an employer gives notice to the Society that he intends to settle the outstanding compensation on a specified date, the Society will have no right to recover from him any advances made after the date of settlement mentioned in the notice. This notice, which is called a "Notice of Settlement," must also be in the prescribed form* (Form A.S. 182, Part II.). Where, however, the employer delays to give the Notice of Settlement, and it does not reach the Society until after the date of settlement of the com-

* For convenience of reference, Forms A.S. 182 and 182 (a) are reprinted in Appendix I., pp. 86 and 87. These forms are not supplied by the Commissioners, but must be closely followed in any forms used by Societies for the purpose.

pensation, he remains liable to the Society for any advances made before the notice of Settlement is received by the Society.

22. When the Society comes to settle up with the employer, it must deliver to him a statement of advances, which has to be in the prescribed form* [Form A.S. 182 (a)], and has to be certified by a principal officer of the Society.

23. The employer may in addition require the Society to produce the receipts given by the insured person for the advances. The Society is to decide the place at which the receipts are to be produced to the employer or to his agent, and no doubt Societies will, as far as they find it reasonably practicable, consult the convenience of employers in this matter.

24. It is very important that Societies should remember that their right to recover advances from an employer depends upon their giving the notice of advance in the prescribed form. A verbal notice or any other form of notice is not sufficient.

(b) *Special Procedure for calculating Compensation in certain cases.*

25. In calculating the amount of benefit payable to an insured member under Section 11, the Society is now required by Section 19 (2) of the 1918 Act to treat as if it were part of the compensation, any payment, allowance or benefit which, under paragraph (3) of the First Schedule to the Workmen's Compensation Act, 1906, is taken into account in fixing the weekly payment of compensation, and where no compensation has been received or recovered, any such payment, allowance or benefit is to be treated as if it were compensation; but in no case can the Society treat as compensation, for the purpose of calculating benefit, any sum in excess of what the compensation would be if there were no such payment or allowance, i.e., ordinarily one-half of the average weekly earnings of the insured person.

Thus, if an allowance were to take the form of the free occupation of a house of the weekly value of 4s., and the weekly payment of compensation was fixed at 5s., then the total amount of compensation for the purpose of ascertaining the rate of sickness benefit would be 9s., leaving, in the ordinary case, 1s. per week payable as sickness benefit. If, in another case, the insured person, *though entitled to compensation*, had continued to receive his weekly wage of 16s., then the Society would, in the ordinary case, treat 8s., or one-half of his wages, as compensation.

(L) Benefits of Married Women.

26. Section 44 of the 1911 Act has been repealed by Section 22 of the 1918 Act, and as from 1st July, 1918, an entirely new set of provisions is applicable to women who cease to be employed on or about the time of marriage. These provisions obviate the necessity of any inquiry into the woman's "intention" as to

* See footnote on previous page.

resumption of employment, and depend solely upon facts readily ascertainable by the Society.

THE NEW SCHEME.

27. *Every insured woman is obliged to notify her marriage to her Society within eight weeks thereof.*

On receiving notice of the marriage of a woman member the Society should supply her with information as to her position under the Act. A summary of the provisions of the Act relating to married women is given in Appendix I., page 85, and a short explanatory leaflet will be issued by the Commissioners and supplied for use in this connection.

28. (a) A woman member of a Society who is employed up to the date of her marriage will cease to be entitled to the ordinary benefits of the Act *so soon as she has been unemployed* (otherwise than by reason of incapacity due to sickness) *for eight consecutive weeks within a year of her marriage*, and she will then, subject to arrears, etc., become entitled to the benefits set forth in paragraph 31 below.

(b) If she was not employed up to the date of her marriage, and more than eight weeks had then elapsed since she was last employed, she is brought under the special provisions immediately on her marriage.

(c) If she left work within eight weeks of her marriage, she comes under those provisions so soon as the eight consecutive weeks of unemployment are completed.

(d) The eight weeks are always to be reckoned as from the end of the week in which she was last employed or in which she again became capable of work after a period of sickness.

29. A married woman in whose case the foregoing conditions do not arise will continue to be entitled to the ordinary benefits. Where, therefore, twelve months have elapsed since the date of a woman's marriage, and she has not been unemployed for eight consecutive weeks in the meantime, she will thereafter be treated in all respects as an ordinary insured person, and, on ceasing to be employed, she will be subject to the ordinary provisions. (See O below.)

30. The following illustrations may be helpful to Societies :—

(1) If a woman is unemployed for *eight consecutive weeks* before marriage, and has *no* intervening employment between the end of these eight weeks and the date of her marriage, and has not before that date ceased to be insured, she will on marriage cease to be entitled to the ordinary benefits.

(2) If, however, there is intervening employment before marriage, it cancels the eight weeks of unemployment referred to in (1) and a further eight weeks of unemployment will have to emerge before her right to ordinary benefits terminates.

(3) If she ceases to be employed, say, two weeks before marriage and re-enters employment within six weeks after marriage, she will continue to be entitled to the ordinary benefits unless and until a subsequent period of eight consecutive weeks of unemployment has been completed within a year of her marriage.

(4) If, however, she does not re-enter employment within the six weeks referred to in (3), her right to the ordinary benefits will cease at the end of the eighth week after the week in which she was last employed.

(5) If she is unemployed for, say, two weeks and is then incapacitated for work, she will not become disentitled to the ordinary benefits until she has had eight consecutive weeks of unemployment after the end of the last week of incapacity—in other words, the incapacity cancels the two weeks of unemployment which preceded it.

(6) If a woman ceases to be employed on account of illness, she will not cease to be entitled to the ordinary benefits until the end of the eighth consecutive week of unemployment after the end of the week during which she again became capable of work, or until the date of her marriage, whichever is the later.

(7) If a woman, after completing eight consecutive weeks of unemployment became incapable of work before marriage she ceases to be entitled to the ordinary benefits on marriage. It will be noted that in these cases a period of sickness occurring after the end of the eighth week of unemployment does not affect the woman's right to the special sickness benefit after marriage. [See, however, the Note to paragraph 31 (1).]

The end of the eighth consecutive week of unemployment is known as "the date of unemployment."

31. The *special benefits* to which a woman who ceases to be entitled to the ordinary benefits under the conditions above described will (subject to the provisions of the Acts as to waiting periods for benefits, arrears, etc.) become entitled are as follows:—

(1) *Sickness Benefit* (subject to the normal conditions as to proof of incapacity, etc.) *at the rate of 5s. a week for not more than six weeks* in all during the period of twelve months commencing on the expiration of the eight consecutive weeks of unemployment, or, where the eight consecutive weeks of unemployment ended before marriage, during such balance of the period of twelve months commencing on the expiration of those eight weeks as is subsequent to her marriage.

NOTE.—It should be borne in mind in these cases that sickness benefit is not payable in respect of the four weeks following confinement, and also that by virtue of the provisions of Section 8 (5) of the 1911 Act periods of incapacity for which the special

sickness benefit is payable may have to be linked up with previous illnesses. Thus, where a woman has received ordinary sickness benefit within the immediately preceding twelve months, the special sickness benefit will be payable from the first day of incapacity, and will only continue for so much of the maximum period of 26 weeks as has not been exhausted by the previous illness, but in no case can it continue for more than six weeks. Where a member had already exhausted her right to the ordinary sickness benefit before she recovered from her last illness, no special sickness benefit will be payable in respect of any subsequent illness commencing within twelve months of her recovery.

(2) *Maternity benefit* of 30s. on her first confinement after the expiration of the eight weeks or after the date of her marriage if the eight weeks expired before marriage, provided that the confinement occurs within two years after the date of her marriage. This maternity benefit is additional to any maternity benefit that may be payable in respect of her husband's insurance.

(3) *Medical benefit and sanatorium benefit* until the end of the calendar year in which the right to the special sickness benefit ends.

Termination of Membership.

32. Even if she has ceased to be employed, a married woman remains a member of her Society until the second anniversary of her marriage, but if she has not in the meantime returned to employment she then ceases to be a member of the Society. If, however, she becomes employed within a year after ceasing to be a member, i.e., within three years of the date of her marriage, she will be entitled under Section 14 (5) of the 1918 Act to readmission to the Society on the same conditions as apply to other persons who return to employment within a year of ceasing to be members. (See paragraph 63 below).

Periods of Unemployment before Marriage.

33. It should be clearly understood that where the eight weeks of unemployment have elapsed prior to marriage no question of changing from the ordinary benefits to the special benefits can arise until after marriage, and although a woman may have been in receipt of the ordinary benefits after the expiration of those eight weeks, but before the date of her marriage, those benefits will have been properly paid, and will not require any adjustment when the woman subsequently marries. In such cases the special sickness benefit under Section 22 is payable in respect of incapacity during the period from the date of marriage until a date 12 months after the end of the eight weeks of unemployment.

Notification of Marriage.

34. In order that the duty of giving immediate notice of marriage should be brought prominently before women members an instruction to that effect has been printed on all women's contribution cards and Record Cards. (See paragraph below.) If, however, a woman fails to notify her marriage in accordance

with the instructions, a Society may become acquainted with the fact in other ways, e.g. :—

(1) By her surrendering her contribution card with her name altered; or

(2) By her making a claim for benefit and her marriage then being disclosed.

35. On learning that a woman member has been married, the Society must, seeing that the eight weeks of unemployment may have elapsed wholly or partly before marriage, consider her record *before as well as after marriage*. For this purpose the Society does not, however, require to go any further back than the last week of employment prior to marriage, which may generally be taken to be the last week for which a stamp is affixed to her card.

36. In a number of cases the Society will, on learning of a woman member's marriage, be able at once to decide that she has ceased to be entitled to the ordinary benefits and become subject to the provisions of Section 22 as to special benefits. In other cases the eight weeks may not then have expired, and the Society will merely note the marriage in their registers (see paragraph 182) with a view to ascertaining subsequently whether, and if so when, the eight weeks of unemployment have been completed. With this object, the Society must carefully scrutinise, when surrendered, the contribution cards covering the 12 months after marriage. A note should also be made of any period of unemployment (that is, ordinarily, any weeks for which no stamps have been affixed and no sickness or disablement benefit has been paid) occurring at the beginning or the end of any of these cards, as that period may, together with a period of unemployment at the end of the immediately preceding card or at the beginning of the next, make up the eight consecutive weeks. If, before these cards are surrendered to the Society in the ordinary course, a claim for benefit is received, the Society should, before paying the benefit, insist on getting delivery of all contribution cards to date, and examine them to make sure that there have not been eight consecutive weeks of unemployment.

Position of Women who continue to be Employed after Marriage.

37. Once it has been established that a woman has continued in employment for 12 months after marriage without a break of eight consecutive weeks of unemployment, she is no longer liable to come under the special benefit arrangements provided by Section 22. She is now an ordinary insured person and so continues. If subsequently, therefore, she ceases to be employed, the ordinary provisions of Section 13 (see paragraph 58) apply to her as to any other insured person.

Position of Class K Women who resume Employment.

38. If a married woman who has become entitled to the special benefits returns to employment, she is to be treated as if she had entered insurance for the first time on so becoming employed. If, however, she returns to employment before she has exhausted her right to any of the special benefits, she will, during the waiting periods for benefits in respect of her new insurance (26 weeks and

26 weekly contributions for sickness benefit, and 42 weeks and 42 weekly contributions for maternity benefit), continue to be insured for the special benefits as though she had not resumed employment. Her right to receive the special benefits will, of course, be subject to the respective time-limits and other conditions referred to in paragraph 31, and no special benefit will be payable after she has become entitled to the corresponding benefit in respect of her new insurance.

Position of Voluntary Contributors on Marriage.

39. A married woman cannot be a voluntary contributor, and a woman who was a voluntary contributor until the date of her marriage is entitled after marriage to the special benefits as if the eight weeks of unemployment had expired on marriage.

Failure to Notify Marriage.

40. If a woman fails to notify her Society of her marriage, and the Society in ignorance thereof pay sickness benefit to her in excess of the amount properly payable, it will be entitled to deduct such excess from any benefits subsequently payable to her.

TRANSITIONAL PROVISIONS.

(i.) Abolition of Class H.

41. The class of woman special voluntary contributor (Class H) is abolished, and existing rights will be redeemed as follows :—

(*a*) Each woman special voluntary contributor on 1st July, 1918, will be entitled to a cash payment of £2, subject to deduction for arrears.

(*b*) Where, however, on 1st July, 1918, a woman special voluntary contributor is in receipt of sickness or disablement benefit, payment thereof is to be continued as long as the incapacity continues, and the cash payment will be made to her on the expiration of eight weeks after the incapacity ceases.

42. A married woman who, under Section 44 (8) of the 1911 Act has, notwithstanding that she has become employed, continued to be a special voluntary contributor, having her weekly contributions of 6d. applied to the extent of 3d. in paying her contributions as a special voluntary contributor, the balance of 3d. being set aside to be applied by the Society for her benefit, will, in addition to receiving the £2 as a special voluntary contributor, receive the sum representing the balance of the threepences so far as that sum has not been expended by 1st July, 1918. As regards her position in insurance with reference to her employment after 1st July, 1918, she will, for the purposes of benefits, be treated as if she had not been previously insured, that is, she will undergo fresh waiting periods for sickness, disablement, and maternity benefits.

43. If a woman who was a special voluntary contributor and held a certificate of exemption under Section 44 (8) of the 1911 Act, has surrendered that certificate since 1st January, 1918, the surrender will be annulled, and on 1st July, 1918, she will be

treated as though she had remained a special voluntary contributor up to that date, but she will not then be entitled to receive any sum in respect of contributions paid since the date on which the certificate of exemption was surrendered. It should be noted that in such a case fresh waiting periods will run from the first day of employment after 30th June, 1918.

(ii.) *Married Women (not Class H) Suspended Under Section 44.*

44. A married woman who was suspended under the provisions of Section 44 of the 1911 Act and did not become a special voluntary contributor, will, from 1st July, 1918, to 31st December, 1918, remain entitled to the same payments as she was entitled to before the passing of the new Act. Where she has not, before 1st January, 1919, received the whole of the sum standing to her credit, the balance thereof is to be paid to her in cash on that date, or as soon after that date as possible. If, owing to the Society having lost trace of her, the balance is not paid before 1st January, 1920, it is to be transferred from the Society's funds to the Commissioners' Reserve Suspense Fund.

(M) Benefits of Deceased Insured Persons.

45. To facilitate the disposal of any sums on account of benefit remaining unpaid at the time of the death of an insured person, the Commissioners have, in accordance with Section 37 of the 1918 Act, made Regulations on the subject.

(a) Nominations.

46. An insured person may now make a nomination under which any sum payable by way of benefit and unpaid at the date of his death, or any other sum payable under the Act and forming part of his estate, shall be paid to the person or persons named in the nomination. In the same way as under the Friendly Societies Acts, it is not permissible for any officer, servant or agent of the Society, unless closely related to the member, to be a nominee.

47. A nomination under the Act, to be effective, must relate solely to money payable under the Act, and must be delivered to the Society in the lifetime of the nominator. If he ceases to be a member of the Society the nomination lapses, except where the change of membership is due to an amalgamation or transfer of engagements by the Society.

A nomination can only be altered or varied or revoked by a written notice delivered to the Society in the lifetime of the member. The Regulations have not prescribed any forms of Nomination, Variation and Revocation, but the Commissioners have prepared model forms for the guidance of Societies, copies of which will be supplied on application.

48. On receiving a nomination, variation or revocation, the Society must give the member a written acknowledgment, and note particulars of the document in a book, which should be specially kept for this purpose. These documents must be carefully preserved by the Society. If the rules of the Society so provide, a charge not exceeding 3d. may be made.

(b) Payments on Death.

49. On the death of an insured person who has made a nomination, the Society must pay the sum to the nominee or nominees. If, however, the nominee has died before the nominator, nothing will be payable under the nomination, unless the nominee was a child or other descendant of the nominator and died leaving issue, in which case the money will be payable to the issue.

50. On the death of a member who has made no nomination but has left a will, any sum payable should be paid to the person entitled thereto under the will. The Society, however, need not insist on production of probate, confirmation or other proof of title, but may make payment without these legal formalities.

51. If, on account of absence or otherwise, the signature of any nominee or beneficiary cannot be obtained, the money may be paid to the remaining nominees or beneficiaries, leaving them to settle up with the absent nominee or beneficiary.

52. On the death of a member who has made no nomination and left no will, the Society are given a wide discretion in regard to distributing any sum payable. They need not insist on letters of administration or other title, and may pay the money to the persons appearing to them to be entitled to it by law (e.g., the husband or wife or children or other next-of-kin), or may pay it to anyone who had paid the funeral expenses or to the creditors of the deceased. Here, again, the Society may dispense with the signature of anyone where they think the circumstances warrant their doing so, but in this case the absent person has no right of recovery against the person to whom the payment is made.

53. Anyone of the age of 16 or upwards can give a valid receipt to the Society, and where a nominee or other person is under 16 years of age the Society are given a discretion to apply the money for his benefit.

54. The Society will in the course of their administration of sickness or disablement benefit have satisfied themselves as to the death of the insured person. Where the sum payable is less than £5—which will ordinarily be the case—they need not insist on the production of a death certificate, but in the few cases where £5 or more is payable, they must see a death certificate.

55. The Society need not concern themselves with death duties unless in the very exceptional case where the sum payable exceeds £50. This can only be where the deceased has been for a number of years an inmate of a hospital or asylum and the benefit has been allowed to accumulate.

56. As the payment of sums at death is not an ordinary incident of National Health Insurance, the power to nominate is not of great practical importance. It is accordingly not considered necessary for Societies to draw the attention of their members to the power to make nominations except where a considerable sum has accrued in respect of benefit while a member is in an institu-

tion. As Societies will in all probability have very few nominations to record, the Commissioners do not propose to issue any model form of Register.

(N) Application of Misconduct Rule in cases of Pregnancy.

57. The special attention of Societies is called to the provision of the 1918 Act to the effect that, notwithstanding anything to the contrary in the rules of a Society, *sickness or disablement benefit is not to be withheld from a pregnant unmarried woman on the ground that her pregnancy is due to misconduct.*

(O) Termination of Insurance and Membership.

"Free Year's Insurance."

58. The whole position as to the continuance in insurance and in membership of an Approved Society of a person who ceases to be employed has been changed by the 1918 Act, and paragraphs 67-79 of the Handbook no longer apply. There will not in future be any need to consider whether a person who has ceased to be employed has, or had, a normal occupation of employment within the meaning of the Acts, and no question of a provisional lapse from insurance can arise. Every person who, having been insured as an employed contributor, ceases to be employed within the meaning of the Acts, will remain an insured person and entitled to all benefits for one year after the end of the week in which employment ceases. He will, of course, during that year be subject to the provisions of the Arrears Regulations. When the year has expired his insurance will cease and he will cease to be a member of his Society, but he will remain entitled to medical and sanatorium benefits until the end of the calendar year then current.

59. In calculating the year during which the right to all benefits continues, no account is to be taken of any period of incapacity for work of which notice was given within the time allowed, that is to say, any period for which sickness or disablement benefit has been paid or is payable or, where no such benefit is payable, where notice is given within six weeks after the commencement of incapacity.

60. It should be noted that the granting of a year's insurance after the cessation of employment is applicable in all cases, whatever the cause of ceasing to be employed may have been, whether it was due to inability to find work, increase of remuneration above £160 a year, leaving the United Kingdom,* or taking up some other occupation which is not employment within the meaning of the Acts.

61. In the case of a voluntary contributor who ceases to pay contributions, the free year's insurance runs from the end of the week to which the last contribution is assigned. (See paragraph 138.)

* NOTE.—The only benefit payable in respect of the insurance of a person who has permanently ceased to reside in the United Kingdom is maternity benefit, which is still payable if his wife, at the time of her confinement, is resident in the United Kingdom, and if not more than a year has elapsed since the person left insurable employment.

Re-entrants into Insurance.

62. Where the free year has elapsed and a person has ceased to be insured he will, on again becoming employed, be treated as though he was *becoming insured for the first time*, that is to say, he will have fresh waiting periods for benefits, and his sickness benefit will be at the lower rate (6s. for men and 5s. for women) until 104 weeks have elapsed since his return to employment and 104 contributions have been paid.

63. It has been stated above that when the period of insurance for all cash benefits comes to an end, membership of the Society also ceases. If a person returns to employment after he has ceased to be insured, he may apply for membership of his old Society or any other Society, but if his return is *within one year of the conclusion of his free year's insurance*, he will be entitled to be readmitted to his old Society if he makes application within the time allowed to him for joining a Society after his new entry into insurance (see paragraph 8 above). In either case he must be treated as a new member and be given a new membership number.

Voluntary Contributors.

64. If a person has been *employed and insured as an employed contributor for 104 weeks or more*, whether continuous or not, since his late date of entry into insurance, he may, after ceasing to be employed, continue in insurance as a voluntary contributor if he gives written notice to his Society of his desire so to do before the end of the free year's insurance. On giving notice he is treated as having become a voluntary contributor from the end of the last week of employment (see paragraph 156).

Cessation of Insurance on becoming Exempt Person.

65. A member of a Society who obtains a certificate of exemption ceases to be a member *as from the date of such certificate*, and his rights to all benefits from his Society cease from that date. The benefits to which he may be entitled as an exempt person are explained to him by the Commissioners on his obtaining his certificate of exemption.

Transitional Provisions.

66. A person who has obtained a certificate of exemption or has ceased to be insured before 1st July, 1918, will (except in the special case referred to in paragraph 67) cease to be a member of his Society on that date unless he has again become insured. Such a person will, however, be entitled to readmission to the Society if he again becomes an employed contributor before *1st July, 1919*, provided that he joins the Society within the time allowed after his re-entry into insurance (see paragraph 8 above).

67. (a) Any person who, having been insured as an employed contributor, has ceased to be employed before 1st July, 1918, will remain insured from that date until the expiration of one year (excluding any periods of incapacity) from the date on which he

ceased to be employed.* He may, if the period of his previous employment (whether continuous or not) was 104 weeks or more, become a voluntary contributor on giving notice before *30th September, 1918*, or the date on which his revived insurance would cease, whichever date is the later.

(b) It should be noted that the 1918 Act gives any person who was employed for at least 104 weeks the right to become a voluntary contributor, notwithstanding that he may have ceased to be employed more than a year before 1st July, 1918. In such a case, however, the past insurance would not be revived, but on re-entering insurance the person should be treated as a new entrant and required to fulfil fresh waiting periods. It is important to bear in mind that notice of the person's desire to become a voluntary contributor must be given before *30th September, 1918.*

(c) Where a person having previously been an employed contributor became a voluntary contributor between 1st January and 1st July, 1918, the Society may consider notice of his desire to become a voluntary contributor to have been duly given.

68. The following examples may help to make clear the position as to the various cases dealt with in paragraphs 58 to 67.

EXAMPLE 1.—A.B. ceases to be employed on Thursday, 17th October, 1918, and sets up in business on his own account. He becomes entitled to a year's insurance for all benefits from Monday, 21st October, 1918. He is, however, incapable of work for six weeks in February and March, 1919, and receives sickness benefit. His period of insurance is, therefore, extended for six weeks from the 21st October, 1919, i.e., to 1st December, 1919. On that date he ceases to be entitled to all cash benefits and membership of his Society ceases, but he remains entitled to medical and sanatorium benefits until 31st December, 1919.

He may, however, at any time before 2nd December, 1919, give notice to his Society that he desires to continue in insurance as a voluntary contributor, in which case he is to be treated as having become a voluntary contributor as from 21st October, 1918.

EXAMPLE 2.—C.D., having been insured as an employed contributor, takes up excepted employment on 1st March, 1918. He has, therefore, been placed provisionally out of insurance. On the 1st July, 1918, his insurance will be revived and will continue until 3rd March, 1919.

EXAMPLE 3.—E.F., having been insured as an employed contributor, ceased to be employed on 1st April, 1917. He was kept in insurance until 31st March, 1918, in accordance with the provisions of Section 79 of the 1911 Act, but on that date ceased to be insured. On 1st July, 1918, unless he has returned to employment, his membership of his Society ceases.

(P) Continuity of Insurance of Persons engaged in non-insurable War Occupations, or interned in an enemy country.

69. The ordinary rule that a person ceasing insurable employment remains insured for a year only is varied in the case of persons who have ceased to be employed within the meaning of the Acts by reason of entering upon certain war occupations (see paragraph 71 below) or of being interned in an enemy country as prisoners of war or otherwise. Subject to a payment of contributions, as explained below, such persons remain insured

* NOTE.—It is important that in any case where a person has ceased to be insured before 1st July, 1918, and has his insurance revived on that date, the Society should at once send the appropriate slip to the Insurance Committee, notifying the resumption of his right to medical and sanatorium benefits.

after the free year and up to the end of two months from the termination of the war occupation or internment. If they satisfy the Society that during any part of the two months they have been incapable of work, by reason of disease or disablement, the period of incapacity is ignored in reckoning the date of the expiration of the two months during which they remain insured.

70. It will be seen from the above that the persons concerned are allowed a period of two months after cessation of the war occupation or internment in which they may, by making the appropriate payment of contributions, keep alive their previous insurance during the two months (or a longer period if they are ill).

If they make the payment, and before the end of the period of extended insurance they resume insurable employment or become voluntary contributors, their insurance is treated as continuous. In other cases, i.e., if (*a*) they have made no payment, or (*b*) having made the payment, they do not resume insurable employment or become voluntary contributors before the end of the extended period of insurance, they are new entrants into insurance when they re-enter insurable employment after the end of the war occupation or internment. If, however, the re-entry takes place within the free year from the original cessation of insurable employment insurance is continuous whether a payment has been made or not.

71. The following are the classes of occupation, not being insurable employments, that are prescribed as war occupations :—

(1) Employment under the Army Council for service during time of war as a nurse to members of His Majesty's Forces.

(2) Employment as a soldier serving in an Overseas Contingent.

(3) Employment in the naval, military or other service of a foreign Power allied with the United Kingdom of a person whose normal occupation prior to such service was employment within the meaning of the 1911 Act.

(4) Employment as a temporary member of a police force.

(5) Employment of a boy-scout assisting the Coastguard under arrangements made between the Admiralty and the Boy Scouts' Association, or otherwise rendering services, without wages, in aid of any Government Department or County or Municipal Authority.

(6) Employment (not being employment under a contract of service) under a voluntary organisation engaged in hospital, ambulance or canteen work.

(7) Employment outside the United Kingdom :—

(*a*) as a member of Queen Mary's Army Auxiliary Corps, the Women's Royal Naval Service, or the Women's Royal Air Force;

(*b*) in a civilian capacity under the Admiralty, Army Council, Air Council or other Government Department;

(*c*) under a Works Contractor to the Admiralty, Army Council or Air Council;

(*d*) as a member of the Expeditionary Force Canteens Sections, Army Service Corps;

(*e*) under the British Red Cross Society or any similar organisation engaged in hospital, ambulance or canteen work.

72. The conditions under which advantage may be taken of the special privilege of extension of insurance in these cases are the following :—

(*a*) *Contributions.*—Contributions are payable for the whole period of war occupation at the rate of 4d. a week for a man and 3d. for a woman. The amount should be ascertained when the war occupation has ceased and ordinary contribution cards endorsed "War Occupation Contributions" should be issued, on which the payment should be made. If contributions or arrears have already been paid for any weeks of the period, no further contributions are required for such weeks, and if a sum to cancel arrears has been paid under the Arrears Regulations of 1918, it is treated as a payment on account. The final payment of the contributions or the balance thereof, as the case may be, has to be made within two months of the termination of the war occupation unless in a particular case the Commissioners authorise a longer period.

(*b*) *Benefits.*—During the first year from the date when he ceased employment prior to entering the war occupation, the insured person remains insured for all benefits, subject to the usual conditions.*

After the end of the first year he is entitled only to maternity benefit until he becomes entitled to other benefits as stated in the next paragraph. Maternity benefit cannot be paid until all the contributions have been received for the period up to the end of the half-year prior to that in which the confinement occurred, but on such payment being made at any later date, the maternity benefit is payable.

When the payment of all contributions due has been made on or after the termination of the war occupation, the insured person is entitled to the normal benefits.† The right to receive benefits has effect

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* NOTE.—Sickness or disablement benefit is not payable when an insured person is not, at the time of his incapacity, in the United Kingdom.

† As to the position with reference to arrears for the period before the commencement of the war occupation, see paragraph 166 (1).

from the termination of the war occupation, or if the payment of contributions is not made till more than two weeks later, the title to benefits operates as from two weeks before the date of payment.

In certain cases, however, e.g., those of Army Nurses, Queen Mary's Army Auxiliary Corps, etc., the Boy Scouts, referred to above, and persons employed abroad under the British Red Cross Society, the employing authority has entered into an arrangement for paying the contributions on behalf of the employed persons. In these cases the title to benefits has effect from the termination of the war occupation, although the payment of contributions may not be made within two weeks thereafter.

73. In cases where the war occupation ends within twelve months from the cessation of insurable employment, the member has the ordinary right to the "free year" of insurance. If contributions for the period of the war occupation are not being paid by the employer and the contribution year in which he ceased insurable employment ended before his war occupation terminated, his arrears should be calculated in the ordinary way immediately after the end of the war occupation (see paragraph 166 (ii.)). If that contribution year did not end before the war occupation ceased no arrears calculation will be necessary until the end of the contribution year. In either case, if he resumes insurable employment before his "free year" has ended, his insurance will be continuous whether or not payment is made of the arrears which accrued during the period of war occupation.

74. The above conditions relating to persons in war occupations apply similarly to persons interned in an enemy country as prisoners of war or otherwise, but in their case it has been arranged that the whole of the sums payable in respect of the period of internment shall be discharged out of the moneys at the disposal of the Commissioners in respect of unclaimed proceeds of stamp sales. In the case of any member who returns to this country after a period of internment, the Society should treat the member as being at once free of arrears for the period of internment, and benefit should be paid accordingly when any claim is made. This applies to persons who return or who have returned from internment at any time, whether before or after the 1st July, 1918. All cases in which persons returning from internment are excused the payment of contributions should be reported to the Commissioners, and Societies will be instructed as to the crediting of contributions for the period of internment.

(Q) Mercantile Marine.

75. The attention of Societies is drawn to the following alterations in the provisions of the Acts relating to seamen :—

(1) *Contributions.*—A contribution at the special rate (6d. men, 5d. women) is now payable for every

week of employment on a foreign-going vessel, and the special arrangement under which four weekly contributions counted as five in determining the number of contributions payable in a calendar year has been abolished. For arrears purposes four contributions at the foreign-going rate will count as five as before (see paragraph 146), and for Sinking Fund purposes every six contributious paid count as seven.

(2) *Benefits.*—Periods of sickness during which the shipowner is liable to maintain the seaman, and in respect of which benefit is not payable (whether he is employed on a home-trade ship or a foreign-going ship), are not to count towards the maximum amount (26 weeks) of sickness benefit receivable, and are not to be reckoned in determining whether sicknesses are to be deemed continuous under Section 8 (5) of the 1911 Act; in fact, a man is to be treated in all respects as though he had not been incapable of work at any time when on board ship.

EXAMPLE.—A.B. is discharged sick at the end of a voyage on Tuesday, 1st October, 1918, having been incapacitated for a fortnight. Benefit will commence on Friday, 4th October (*i.e.*, after the usual three days' waiting period), and will continue for the full 26 weeks if he remains incapable of work so long. If, however, he had received sickness benefit since 1st October, 1917, his present illness will be linked up with the former illness, but the period of incapacity on board ship will be ignored.

It should be observed that the concession made in the 1913 Act of the payment of sickness or disablement benefit to the dependants of a home-trade seaman who is in hospital abroad (see paragraph 541 of the Handbook) is now extended to foreign-going seamen.

(R) Transfers.

76. The general procedure to be followed in the case of the transfer of an insured person from one Approved Society to another remains as set forth in paragraph 94-105 of the Handbook, subject only to such modifications as are explained below.

(i) *Application to Transfer.*

77. A person will not in future be entitled to transfer from a Society unless he has signed a statement declaring that he has received from another Society an undertaking in writing to admit him as a member on his being entitled to transfer, or that he has notified the Commissioners of his desire to become a deposit contributor. Form A.S. 73 (form of notice of desire to transfer) has, therefore, been amended so as to include a statement of this kind (see Appendix I., page 83).

(ii) *Half-yearly date of Transfer.*

78. Transfers will ordinarily take effect on the first day of a contribution half-year, and a member who did not give notice at

least 8 weeks before the end of a half-year * will not be allowed to transfer on the first day of the following half-year unless the Society consents to his doing so and before that date sends him a notice in writing to that effect (see Form A.S. 73 (c), Appendix I., page 84). Failing such notice the transfer must be postponed for another six months.

(iii) *Transfer Fee.*

79. Every member who applies to transfer is required to pay to his Society a transfer fee of 2s., except on his first transfer if this takes place within two years of his entry into insurance. The member is not to be considered to have given proper notice of his desire to transfer until the transfer fee, if any, has been paid, and provision has been made accordingly on the revised Form A.S. 73. All officers, servants, or agents of Societies are prohibited under penalty of a fine from paying or offering to pay any part of the transfer fee on behalf of a person who desires to transfer.

(iv) *Cancellation of Application to Transfer.*

80. If a Society, within 30 days of receiving notice from a member of his desire to transfer, informs the Commissioners and the member that it objects to the transfer and alleges that its administration would be prejudiced by it, the Commissioners will, having due regard to the representations of the Society and the interests of the member, decide whether or not the member is to be allowed to transfer.

81. The member may also himself within 30 days of the date of his notice cancel his application to transfer, and in any case where the transfer does not take effect, whether by reason of the cancellation of the notice by the member, or the decision of the Commissioners, any transfer fee which has been paid is forthwith to be returned to the member.

(v) *Miscellaneous.*

82. In every case where a transfer takes effect the appropriate transfer value will be debited by the Commissioners to the old Society and credited to the new.

83. It should be noted that substantially the same procedure must be followed in the case of a member who desires to terminate his membership of his Society in order to become a deposit contributor as in the case of a member who leaves in order to join another Society.

84. In the case of a person desiring to transfer from one branch of an Approved Society to another branch of the same Society, the same procedure should be followed, except that the central authority of the Society, and not the Commissioners, will have the power of disallowing a transfer which is proved to be prejudicial to the administration of the branch, and that the

* NOTE.—In the case of a foreign-going seaman who commences a voyage between the date on which he gives notice of his desire to transfer and the date on which the transfer would ordinarily take effect, the transfer will be effected on the date of the commencement of the voyage.

member will not be required to pay a transfer fee unless the rules of the Society so provide.

85. It should be noted that the requirement of a transfer fee applies only to cases in which the member himself desires to terminate his membership of the Society. No transfer fee is therefore payable in the case of the expulsion of a member, or where the member is required to terminate his membership in accordance with some provision in the Rules of the Society, e.g., on the ground that he no longer satisfies the conditions on which alone membership is allowed to continue, or, in the case of an Employer's Provident Fund Society, that he has left the service of the employer. If in the case of expulsion of a member he does not join another Society, he will become a deposit contributor from the date of termination of membership of his old Society. Care should be taken to notify all expulsions promptly to the Commissioners on Form A.S.122.

(vi) *Transfers from the Deposit Contributors Fund.*

86 (a) Where a person who has been established as a deposit contributor joins a Society he will (with certain exceptions) be treated as if he had become a member of the Society at the commencement of the half-year in which he is admitted to membership, and the appropriate transfer value will be credited to the Society as at that date. The Society should collect the contribution card at the end of the half-year and enter it in its Contribution Register, and should, unless advised otherwise, calculate the contributor's arrears position as if the commencement of the half-year of admission were the date of entry into insurance. The Society will not be liable for payment of any benefits for any period before the date at which membership begins.

(b) In the exceptional cases referred to in the preceding paragraph where a deposit contributor joining a Society is not to be treated as becoming a member at the commencement of the half-year of admission, or where for the purposes of arrears the date of becoming a member is not to be treated as the date of entry into insurance, full instructions as to the treatment of the cases will be given on the Advice of Transfer.

(*c*) All applications for transfer from the Deposit Contributors Fund should be made on Forms 631 or 631A/A.G.D. and addressed to the Commissioners.

(vii) *Transfers of Sailors, Soldiers and Airmen.*

87. The arrangements in paragraphs 130, 131, and 133 of the Handbook relating to men discharged for reasons other than those of health will no longer be applicable. In such a case where a man is *not* re-admitted to the Navy and Army Insurance Fund on discharge he becomes a deposit contributor, and *application for transfer should be made on Form 631/A.G.D.* (See paragraph 86 (c).). If a man becomes a member of the Society within 12 months of discharge and no account has been opened for him in the Deposit Contributors Fund, the Society may collect his contribution cards and claim credit for them in the ordinary course, treating the man as a member of the Society from

the date of discharge; a transfer value will be credited to the Society as at that date. If an account has been opened in the Deposit Contributors Fund, a transfer will be made as in the case of other deposit contributors.

If the member has not a deposit contributor's number, the Society should enter full regimental particulars and date of discharge, and, if known, date of enlistment, on the Form 631/A.G.D. If the member has not previously sent his Form O.1845 to the Commission, it should be sent up with the application for transfer.

(S) Persons in Receipt of War Pensions.

88. The provisions of the National Insurance (Part I. Amendment) Act, 1917, which govern the payment of sickness or disablement benefit to men who have been discharged from the Forces with a pension in respect of disablement in the highest degree, have been extended by the Act of 1918 to any other persons employed in pensionable War service (e.g., volunteers and nurses) who were insured at the time of their discharge. The instructions which were given in Circular A.S. 163B. will therefore apply in the case of any such persons after 1st July, 1918.

(T) Teachers.

89. The 1918 Act provides for the exception from insurance of pupil teachers and student teachers, and also repeals Section 52 of the 1911 Act, under which a sum was transferred to the Teachers' Deferred Annuity Fund or the corresponding Scottish Fund on a teacher becoming subject to the provisions of the Elementary School Teachers' Superannuation Act, 1898, or the corresponding Scottish provisions.

(U) Transmission of Benefits.

90. Insured persons are to be paid in full any cash benefits to which they are entitled, without any deduction for the cost of postage or poundage, except in any case where special arrangements are made at the request of the member.

(V) Joint Management Account and Contract Administration Payments.

91. In accordance with the provisions of Section 17 of the 1918 Act, the Commissioners have made regulations authorising any registered Friendly Society, or any registered Trade Union, or any Society registered under the Industrial and Provident Societies Act, which is itself approved, to set up a Joint Management Account for the purpose of the administration expenses of both the State business and the private business, or to make a payment, called a Contract Administration Payment, out of the State funds to the private funds in consideration of the private side performing agreed services for the State side. Before any such arrangements can be brought into force a Society must amend its rules so as to permit of the arrangement being made, and pass a resolution at a general meeting, and must also obtain the consent in writing of the Commissioners.

92. The Regulations lay down various conditions which must

be observed, one of which is that the Joint Management Account in the one case, and the private side accounts in the case of the Contract Administration Payment, must be audited by an auditor having the qualifications set forth in the Regulations. The Regulations also allow the arrangements to be applied in the case of Societies with branches to the Head Office Administration Account and to the District Administration Account, as well as to branches of the Society, and provide for a joint arrangement being made to cover the Society and its branches.

Any Society* which contemplates action under these Regulations should apply to the Commission for information as to the necessary procedure, etc.

(W) Associations of Societies.

93. Regulations have been made prescribing the conditions on which Societies will be allowed to join Associations under Section 3 (5) of the 1918 Act for the pooling of their Contingencies Funds on valuation. Any Societies proposing to form or join such an Association, and any existing Associations which desire to be recognised for the purposes of the 1918 Act, should consult these Regulations, and, if any further information is desired, should communicate with the Joint Committee or the Commissioners for their respective countries.

It should be noted that all applications for approval of new Associations, or for the recognition of existing Associations, must be made before *1st January, 1919.*

(X) Valuation of Societies Operating in More than One Part of the United Kingdom.

94. The special attention of Societies which are approved for more than one part of the United Kingdom is directed to paragraph 4 of Circular A.S. 191. Where in the case of a Society, which under present arrangements would be valued as a whole, it is desired that there should be separate valuation for a particular country, or where the present arrangements provide for separate valuation and it is desired that the Society should be valued as a whole, the latest date for any representations to be made to the Commissioners is *6th August, 1918.*

(Y) Transfer of Engagements of Societies and Branches, &c.

95. The Commissioners have now under powers given by the 1918 Act made regulations extending the present regulations as to transfer of engagements so to cover certain exceptional cases of transfer of engagements of Societies or branches. Regulations have also been made with reference to the procedure for the secession, expulsion and dissolution of branches.

96. The Commissioners have also under powers conferred on them made regulations with reference to the conditions under which a centralised Society may transform itself into a Society with branches and under which an unregistered branch of a Society may be recognised as a branch for the purposes of the Acts. Any Society* which contemplates action under

* Branches should not communicate direct with the Commission, but should apply for information to the Central Authority of the Society.

any of the above Regulations should apply to the Commission for information as to the necessary procedure, etc.

The attention of Societies with branches is called to the regulations requiring them to set up when necessary a central fund called the "Unattached Members' Fund" for the purpose of administering benefits to members of the Society who are not attached to any branch.

(Z) Maladministration by Societies and their Officers.

97. Under the powers conferred on them by Section 30 of the 1918 Act, the Commissioners have made regulations applying to Approved Societies in respect of their State Insurance work, certain provisions of the Friendly Societies Acts relating to maladministration by Societies and their officers. Those provisions enable proceedings to be taken in case of maladministration against either the Society or the individual officer or officers responsible. The maximum penalty for offences which are not of a fraudulent character is a fine of £5.

PART II.—ARREARS.

(A) Employed Contributors.

I.—The New Scheme.

98. The Scheme contained in the Regulations made under Section 18 of the 1918 Act retains the feature of the former scheme that the arrears for any Contribution Year are extinguished in the corresponding Benefit Year,* even though no benefit is paid, so that the member make as it were a fresh start each year. The member's contribution account is made up at the end of each Contribution Year, which, as before, comprises the period covered by two contribution cards, and begins at the end of June or the beginning of July.

99. **Full benefits are payable if not less than 48† contributions have been credited for the Contribution Year. When the number of contributions paid falls short of 48, the member is liable to suffer reduction or suspension of benefits for the whole of the next ensuing Benefit Year, unless he pays during the Period of Grace the Arrears Penalty. For this purpose a week of incapacity is deemed to be a week in respect of which a contribution has been paid.**

An insured person's right to be excused arrears incurred during sickness has been limited under the 1918 Act to periods in respect of which notice of incapacity is given within the time allowed. The Regulations provide that a member is not to be treated as in arrears in respect of any period for which sickness or disablement benefit has been paid or is payable. Where no benefit was payable, notice must be given within six weeks after the commencement of incapacity, otherwise arrears are only excused after the date of notice.

100. In the case of a new entrant the number of weeks from the beginning of the contribution year to the date of his entry into insurance is added to the number of contributions paid and

* *Benefit Year* corresponds to *Penalty Year* in the old scheme.

† If the contribution year comprises 53 weeks (*e.g.*, year ending 4th July, 1920), 49 contributions are required to secure full benefits.

the number of weeks of incapacity in order to determine his contribution record for arrears purposes. Normally the Period of Grace will run to the 31st October after the end of the Contribution Year. The Benefit Year during which benefits are liable to be reduced or suspended will begin normally on the *first Monday*† *in January* after the end of the contribution year, and will end on the Sunday preceding the first Monday in the following January. This year there are important modifications (see paragraph 103).

101. The following table shows how benefits are reduced when the contributions fall below 48, and also the cash payment (Arrears Penalty) which can be made in the period of grace in order to secure full benefits.

TABLE I.

EMPLOYED CONTRIBUTORS (MEN).

No. of Contributions,* including weeks of sickness.	Rates of Benefit after 104 weeks of insurance and payment of 104 Contributions.		Rates of Sickness Benefit (after payment of 26 contributions) until 104 Contributions have been paid.	Arrears Penalty being sum payable to avoid reduction of benefit.
	Sickness Benefit.	Disablement Benefit.		
(1)	(2)	(3)	(4)	(5)
	s. d.	s. d.	s. d.	s. d.
48-52	10 0	5 0	6 0	Nil.
44-47	9 0	4 6	5 6	1 0
40-43	8 0	4 0	5 0	2 0
36-39	7 0	3 6	4 6	3 0
31-35	6 0	3 0	4 0	4 0
26-30	5 0	2 6	3 6	5 0
25 and under	Nil and Maternity Benefit suspended.			7 6

TABLE II.

EMPLOYED CONTRIBUTORS (WOMEN).

No. of Contributions.* Including weeks of Sickness.	Rates of Benefit after 104 weeks of insurance and payment of 104 Contributions.		Rates of Sickness Benefit (after payment of 26 contributions) until 104 Contributions have been paid.	Arrears Penalty being sum payable to avoid reduction of benefit.
	Sickness Benefit.	Disablement. Benefit.		
(1)	(2)	(3)	(4)	(5)
	s. d.	s. d.	s. d.	s. d.
48-52	7 6	5 0	5 0	Nil
44-47	7 0	4 6	4 6	0 6
40-43	6 6	4 0	4 0	1 0
36-39	6 0	3 6	3 6	1 6
31-35	5 6	3 0	3 0	2 0
26-30	5 0	2 6	2 6	2 6
25 and under	Nil and Maternity Benefit suspended.			5 0

* Where the Contribution Year comprises 53 weeks, each number in this column is increased by 1.

† The existing arrangement, under which a Society whose benefit week does not run from Monday to Sunday, has been given permission to adopt some other day of the week for the commencement of the Benefit Year, is continued.

102. It should be noted that :—

(1) Reserve Contributions are no longer credited.

(2) The " Arrears Penalty " takes the place of the reduced rate (which was normally 4d. in the case of a man and 3d. in the case of a woman) for payment of arrears.

(3) Payment of the Arrears Penalty can only be made during the Period of Grace.

(4) Payment of the Arrears Penalty cannot be made except by affixing stamps to an Arrears Card and by surrendering it before the end of the Period of Grace.

(5) If sickness and disablement benefits are to be reduced on account of arrears, every payment of these benefits during the whole of the Benefit Year must be reduced. *Reduction is not limited to the first six weeks of benefit.*

(6) Medical and sanatorium benefits are not liable to suspension on account of arrears so long as the member remains an insured person.

II.—Arrears Calculations for the Contribution Year ending 30th June, 1918.

(a) **Modifications for the current year.**

103. The arrears calculation for the present contribution year ending on 30th June, 1918, will be made under the new scheme, but the following modifications should be carefully noted :—

(*a*) The Period of Grace will end on **29th September, 1918.**

(*b*) The Benefit Year will begin on **Monday,** * **4th November, 1918,** and will cover the period of 14 months to **4th January, 1920.**

(*c*) Column (4) of Tables I. and II. in paragraph 101 will apply only to members who entered into insurance on or after *1st July, 1917,* and who did not pay a capital sum to secure full benefit. The rate of sickness benefit for all members who entered before that date, or who, having entered on or after that date, paid a capital sum to secure full benefits will be found in Column (2) of the Tables.

Until *3rd November, 1918,* the end of the current penalty year, *reduction of money benefits* on account of arrears will be determined by the net penalty arrears at 30th September, 1917, but any members who are at present suspended from medical and

* A Society which was given permission to adopt another day in the first week of November for the beginning of the Penalty Year will use that day for the beginning of the Benefit Year.

sanatorium benefits by reason of arrears will cease to be so suspended on 1st July, 1918, and Reinstatement Slips should accordingly be sent to the Insurance Committees concerned.

(b) **Members' Record Cards.**

(i)—*Preparation before 1st July, 1918.*

104. The preparation of the Members' Record Cards, which are to take the place of Insurance Books, should be put in hand as soon as they are received. The member's name and address and his number in the Society should be written on the front of the card and his date of entry into insurance, *if after 30th June, 1917*, should be entered at the top of page 2.

105. As soon as these particulars have been entered, the contributions paid for the half-year ending 30th December, 1917, as shown in Column 5 of the Contribution Register, should be written in the space provided. The remaining entries will be made when the contribution cards for the half-year to 30th June, 1918, are received.

(ii.)—*Completion immediately after 30th June, 1918.*

106. As it is necessary to complete the arrears calculation and issue notices to members who are in arrear before *11th August* the contribution cards for the half-year to 30th June should be entered, as they are received, on the Record Cards before they are entered in the Contribution Register.

107. In entering these contributions the following points should be carefully noted :—

(*a*) Arrears at the reduced rate paid on arrears cards (whether on R cards in respect of the current contribution year, or R-1 or R-2 cards for the contribution year ending 1st July, 1917, received too late to affect the arrears calculation for that year) should be treated as "Contributions paid"; thus, if a member surrenders a contribution card bearing 23 at 7d., and an R. card bearing 10 at 4d., the entry on the Record Card of contributions for the half-year ending 30th June will be 33. A pencil note should be made on the Record Card of the number of arrears payments.

(*b*) If a contributor who undertook to pay the voluntary rate in order to secure full benefits has not made up the contributions at the employed rate to the voluntary rate, his contributions at the employed rate should be treated as correct contributions and should not be converted into contributions at the voluntary rate.

(*c*) No reserve contributions are to be credited, and existing reserve balances are not to be brought forward.

108. When the contributions for the half-year to 30th June, 1918, have been entered on the Record Card the Society should total the contributions for the year to see whether the contributions paid in respect of employment amount to *not less than 40*, but no entry of this total should be made on the Record Card. Arrears paid at the reduced rate should not be included for this purpose. If the total is less than 40, the Record Card should be put aside to be dealt with at a later stage (see paragraphs 111—116 and 143.)

109. The number of weeks of sickness (if any) during the contribution year for which contributions were not paid should next be entered on each card which shows 40 weeks or more of employment for the contribution year. The number of contributions paid for each half-year and the number of sickness weeks should then be added together and the total inserted.

The Society should separate the Record Cards into two classes according as the contributions amount to or fall short of 48.

(*a*) **If the total is 48 or more the member is not liable to reduction of benefits on account of arrears.**

(*b*) **If the total is less than 48 the amount of the Arrears Penalty (see Table in paragraph 125 below) should be entered on the Record Card and an Arrears Card should be prepared for issue to the member (see paragraph 118).**

110. *If any member has not surrendered a card for the half-year to 30th June, 1918, before 11th August, he must be treated as in arrear for the contributions due for the half-year after allowing for weeks of sickness, and his Record Card must be made out accordingly. If, however, a stamped contribution card has not been received from the member for either half-year in the contribution year, or if the number of contributions on surrendered cards is to the Society's knowledge less than the number of weeks of employment, a special communication should be addressed to the member, as he cannot be allowed to pay any Arrears Penalty by way of cancelling arrears until a card bearing a stamp for each week of employment in the contribution year has been surrendered to the Society.*

(iii.)—*Arrears of Persons Intermittently Employed.*

111. Section 18 (2) of the 1918 Act provides that a person who has not been employed within the meaning of the Acts for at least the prescribed period in *each of two successive contribution years* is in certain circumstances to be treated for arrears purposes as a voluntary contributor. **The Arrears Regulations fix 40 weeks as the necessary period of employment in each of the two contribution years.***

112. This provision is made by the 1918 Act for the protection of Societies' funds against an unfair use of the arrears scheme. This scheme, which provides that arrears can be cancelled by very moderate payments, is intended to assist the genuinely un-

* For the application of this provision to married women, see paragraph 160 below.

employed, and not to confer a special advantage on persons who, for their own purposes, and probably because they are more profitably occupied, have for part of their time been out of insurable employment. Societies will, accordingly, observe that the Act lays upon them the duty of enquiring carefully into the circumstances in which certain members are in arrears for considerable periods in successive years, and that they are entitled to make all reasonable enquiries to satisfy themselves as to the facts of each particular case.

113. In applying the new provision a Society will understand that if during the period of unemployment in either of the two years the member was unable to obtain employment, or was prevented by sickness from continuing in employment or endeavouring to find employment, and gave due notice of his incapacity, he retains his right to have his arrears calculated as an employed contributor. If, however, a substantial part of the period of unemployment in *each of the two years* cannot be accounted for on these grounds (for example, if he was working on his own account, or was engaged in an occupation in respect of which he was not required to be insured, or if he voluntarily abstained from work) his arrears must be calculated on the voluntary basis. It should be noted that in the case of members who appear to fall within the class under discussion, reasonable regard is to be had to the time of the year in which a period of sickness falls, as well as to any circumstances special to the case, in considering whether the member would, but for his incapacity, have normally been working for an employer, or would have been otherwise occupied in that period or in part of it. Weeks of sickness need not, however, be specially considered in this connection where it is within the knowledge of the Society that the member was, for example, working on his own account for a substantial period of the year.

114. In paragraph 108 Societies were instructed to put on one side the Record Cards of members who had been employed for less than 40 weeks. These cases should now be taken up. Reference should first be made to the Contribution Register for the year ending 1st July, 1917,* and if the number of contributions paid amount to 40 or more, no further investigation is necessary, and the Record Card should be put with the Record Cards of other employed contributors in arrears which are awaiting the preparation of Arrears Notices. It should be observed that any contributions or arrears paid by the member himself for any period during which he was not employed must be excluded.

115. In cases where the number of weeks of employment is less than 40 in *each of the two years*, and the Society is not fully aware of the reason for the absence of contributions, an

* Contributions on any late card for the half year ending 30th December, 1916, or the half year ending 30th July, 1917, entered in the late card columns of the register for the contribution year ending 30th June, 1918, must be included.

enquiry should be sent to the member to ascertain how he was occupied for the part of each of the two years during which he was not employed within the meaning of the Acts.

116. **Any member who is not able to satisfy the Society that he can properly be regarded as an employed contributor who was temporarily unemployed for the period of unemployment (or for all but an inconsiderable part of it) in at least one of the two years cannot be treated for arrears purposes as an employed contributor.** The Society should write against the name of each of these members in the Contribution Register, across Columns 7 to 13, "Treated as voluntary contributor, see folio ," and should re-enter his name at the end of the *Employed Contributor section* of the Register, making the necessary cross reference. The arrears calculation should be made at the new entry (see paragraph 143).

(c)—Issue of Notices of Arrears.

117. The Regulations require that a Society shall issue, by 11th August, 1918, to every member who is in arrears a notice showing how his benefits in the ensuing Benefit Year will be affected. These notices should be issued with the Record Cards.

118. The Arrears Notice and the Arrears Card are combined in one document as formerly, but different cards for men and for women will be used in future.

The Society must enter on the front of each card :—

(*a*) the name of the Society and branch,

(*b*) the member's number and name.*

(*c*) the amount of the Arrears Penalty, from the particulars shown on the Record Card.

(d) Entries in the Contribution Register after 11th August.

119. As soon as the Record Cards and Arrears Notices have been issued the contribution cards for the period ending 30th June, 1918, and any arrears cards in hand should be entered in the Contribution Register. As explained above (paragraph 4) the number of classes will be considerably reduced by the 1918 Act, but as the revised arrangements whereby classes A-2 and E-2 are merged in classes A-1 and E-1 do not come into force until 1st July, 1918, the existing classification in the Contribution Register should not be disturbed until the Contribution Returns for the half-year ending 30th June, 1918, have been made.

120. No adaptation of the Register will be required unless the Society found it necessary to use Column 6 for the entry of the contributions on cards for the half-year ending 30th December,

* The Class need only be inserted if it will assist the Society in tracing the member when the card is returned.

1917 (see paragraph 2 of Circular 37S/A.G.D.). If Column 6 was used for that purpose, the simplest way of providing for the entry of contributions on the cards for the half-year ending 30th June, 1918, will be to rule an additional column after Column 13, number it 13a, and head it "Contributions for half year to 30th June, 1918" (see specimen on page 46).* Care should, however, be taken to leave as much free space as possible in Column 14 for the making of any necessary notes. If the contributions are being entered in Column 13a the rate of contribution, when it differs from the normal rate (7d. for a man, 6d. for a woman), should be entered on the right-hand side of the line. If contributions have been paid at more than one rate in respect of the same contributor the number of contributions at each rate should be entered separately (see model entries on page 46).

121. The following instructions in connection with the entry of the contribution cards should be carefully noted :—

(1) Arrears at the reduced rate paid on arrears cards should be entered as "Contributions paid" at the rate at which the arrears were paid.

(2) If a late entrant has failed to fulfil his undertaking to make up his contributions at the employed rate to the voluntary rate in order to secure full benefits, the contributions at the employed rate should be treated as correct contributions and should not be converted into contributions at the voluntary rate.

122. Columns 5 to 14 of the Contribution Register are reproduced below, and entries are made in Columns 5, 6 and 13a to illustrate the procedure outlined above. The method to be adopted in totalling the contributions for the half-year ending 30th June, 1918, should be carefully noted.

123. The 1918 Act provides that an employed contributor is to remain an insured person for a period of twelve months after the end of the week in which he ceased to be employed (see paragraph 58 above). It is, therefore, important that in every case in which a card was not stamped for the last week of the half-year the Society should make a note in Column 14 of the Register showing the last week for which a stamp was affixed, so that it may avoid paying benefit beyond the end of the "free year" if no further contributions are received (see note in Column 14 against entry 3 in the model entries on page 46).

124. Column 7 of the Register should now be completed. In the case of new entrants the Society should enter in this column the number of completed weeks from the beginning of the contribution year to the date of the member's entry into insurance. If sickness weeks are also to be credited, the number above referred to should be entered immediately below the number of sickness weeks.

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* The adaptation need only be made on those pages of the Contribution Register in which Column 6 has already been used.

SPECIMEN ENTRIES IN CONTRIBUTION REGISTER WHEN COLUMN 13 (A) IS USED.

FOR THE CONTRIBUTION YEAR ENDING 30TH JUNE, 1918.

No. of Contributions on Contribution Cards for half-year to				No. of weekly Contributions not paid on account of incapacity, *and for late entrants.* No. of weeks from 2nd July, 1917, to date of entry.	Total of Cols. 5 to 7 *and* 13a.	Arrears penalty.	Arrears penalty paid.		Amount *to* which rate of Sickness Benefit is to be reduced	Date from which revised Arrears calculations (if any) take effect if after 1st Jan., 1919.	REMARKS, &c.	
30th Dec., 1917.		~~30th June, 1918.~~					Amount.	Date of Payment.			*Cards for Half-year to 30th June, 1918.*	
7d	6d.	~~7d.~~ 5d.	5½d.			s. d.	s. d.		s. d.		*No. of Contributions.*	*Rate.*
(5)		(6)		(7)	(8)	(9)	(10)	(11)	(12)	(13)	(13A)	(14)
26					*52*						*26*	
15				*2*	*38*						*21*	
	26				*50*						*24*	*6d (last stamp for week ending 16th June)*
			26		*49*						*20*	*5½d.*
											3	*7d.*
10					*46*						*26*	*7d.*
											10	*4d. (Arrs.)*
					49						*26*	*5d.*
											23	*5d. (L.C.)*
51	*26*		*26*	—	—	— —		—	— —	—	No. of Members from whom cards have been received	For first half-year ....*5*..
												For second-half year ..*6*..
												For first half-year .....1..

at 7d., at 6d., at 5½d., at 5d., at 4d.,

76 *24* *20* *49* *10* *Total 176*

125. The total of Columns 5, 6, 7, and 13(a) should now be entered in Column 8. If the number in Column 8 is *less than 48* the Arrears Penalty, to be entered in Column 9, will be found in the appropriate column in the Table below. If the number in Column 8 is *48 or over*, the member is not subject to any Arrears Penalty.

No. of Contributions including Weeks of Sickness.	Arrears Penalty.	
	Men.	Women.
48—52	Nil	Nil
44—47	1/-	-/6
40—43	2/-	1/-
36—39	3/-	1/6
31—35	4/-	2/-
26—30	5/-	2/6
25 and under	7/6	5/-

(e) Cards received after the issue of the Notices of Arrears.

(i.) *Arrears Cards.*

126. On receipt of an arrears card from a member, after the issue of the Record Cards, during the period of grace (that is before 30th September, 1918), the date of payment (the date of receipt of the stamped card by the Society) should be entered on the card, and the Record Card, which should be returned by the member with the arrears card, should be completed by inserting in the proper space the amount of the Arrears Penalty paid. If the sum paid by a member who only pays part of the Arrears Penalty does not reduce the penalty exactly to one of the lower sums in the Table, the odd amount should be disregarded.

EXAMPLE.—Where a member whose full Arrears Penalty is 5s. forwards an Arrears Card with stamps value 3s. 6d., only 3s. can be credited, and the Arrears Card should be noted "Credited as 3s.," and 3s. should be entered on the Record Card and in the Contribution Register as the amount of the Arrears Penalty paid. No claim for a refund of odd amounts so paid can be considered.

The amount of the Arrears Penalty paid and the date of payment should be entered in Columns 10 and 11 of the Contribution Register, and the completed Record Card should immediately be returned to the member.

(ii.) *Contribution Cards.*

127. If an ordinary contribution card for the half-year ending 30th December, 1917, or the half-year ending 30th June, 1918, is received after the issue of the arrears notice, but within the period of grace, the number of contributions paid should be entered in the proper space on the Record Card, the word "Late" being written against the entry. The revised total and Arrears Penalty (if any) should be substituted for the original entries. These late cards should be entered in Column 6 (or Column 13a) of the Contribution Register, the words "late card for half-year" being written in Column 14 and the necessary alterations made in the entries in Columns 8 and 9.

(f) Completion of Contribution Register after 29th September, 1918.

128. In cases where sickness benefit is to be reduced on account of arrears the *reduced rate of benefit* should be entered in column (12) of the Contribution Register. The heading to that column should accordingly be altered to " Amount to which rate of Sickness Benefit is to be reduced." If the Arrears Penalty remaining unpaid at the end of the period of grace is 7s. 6d. (5s. in the case of a woman) money benefits are suspended, and the word " Suspended " should accordingly be entered in column (12).

In the case of every member who is entitled to a lower rate of sickness benefit by reason of having entered into insurance on or after 1st July, 1917, his rate of benefit (whether he is in arrears or not) should be entered in column (12) and enclosed in square brackets to call the Society's attention to the fact that as soon as he completes 104 weekly contributions the rate shown in column (4) of the Table in paragraph 101 is no longer applicable to him.

129. It is necessary that the arrears notices should be despatched to members by the *11th August* in order that they may have ample time in which to pay the Arrears Penalty. The Commissioners may in certain circumstances authorise an extension of the period of grace, but the Regulations provide that when this is done and arrears are paid in the extended period, the revised arrears calculation will not take effect until *4 weeks after the date of payment of the arrears.* **The member must, therefore, suffer reduction of benefit based on the unrevised calculation if he claims benefit during the period of 4 weeks after payment of the arrears.** When arrears are paid in the extended period of grace, the date from which the revised calculation will take effect (i.e., 4 weeks after the date in Column 11) should be entered in Column 13. If the Contribution Register has been summarised before the date of payment of arrears the member's name should be re-entered at the end of the register and the revised calculation made against the new entry, the necessary cross references being made.

(g) Contribution Cards received by Societies after the end of the Period of Grace.

130. If a contribution card is surrendered to his Society by a member after the end of the period of grace following the contribution year to which the card related the arrears calculation must be revised. The revision will, however, have no effect on the member's benefits until four weeks after the date of the surrender of the card.

In cases where (*a*) contributions in respect of the contribution year are paid after the end of the period of grace through the intervention of the Commissioners and the contribution cards are delivered to the Commissioners, or (*b*) the Commissioners allow credit after the end of the period of grace for a card which has been lost or destroyed, the Society will be informed as from what date the revised calculation of arrears is to take effect.

(B) VOLUNTARY CONTRIBUTORS.

I.—The New Scheme.

131. The arrears scheme for voluntary contributors has been brought into line with the scheme for employed contributors, the same contribution year, period of grace and benefit year being used, but there are certain important differences.

132. When 50 * or more contributions are credited to a voluntary contributor for the contribution year he is not liable to any Arrears Penalty, but the member to whom less than 50 are credited must make up the number to 50 during the period of grace if he wishes to avoid reduction of benefits in the succeeding benefit year.

133. The following table shows how benefits are reduced when the contributions credited are less than 50 :—

Voluntary Contributors (Men).

No. of Contributions including weeks of Sickness.* (1)	Rates of Benefit after 104 weeks of insurance and payment of 104 Contributions.		Rates of Sickness Benefit (after payment of 26 contributions) until 104 Contributions have been paid. (4)
	Sickness Benefit. (2)	Disablement. Benefit. (3)	
	s. d.	s. d.	s. d.
50–52	10 0	5 0	6 0
48–49	9 0	4 6	5 6
46–47	8 0	4 0	5 0
44–45	7 0	3 6	4 6
42–43	6 0	3 0	4 0
39–41	5 0	2 6	3 6
38 and under.	Nil and Maternity Benefit suspended.	Nil	Nil

Voluntary Contributors (Women).

No. of Contributions including weeks of Sickness.* (1)	Rates of Benefit after 104 weeks of insurance and payment of 104 contributions.		Rates of Sickness Benefit (after payment of 26 Contributions) until 104 Contributions have been paid. (4)
	Sickness Benefit. (2)	Disablement Benefit. (3)	
	s. d.	s. d.	s. d.
50–52	7 6	5 0	5 0
48–49	7 0	4 6	4 6
46–47	6 0	4 0	4 0
44–45	5 0	3 6	3 6
42–43	4 6	3 0	3 0
39–41	4 0	2 6	2 6
38 and under	Nil and Maternity Benefit suspended.	Nil	Nil

* If the Contribution Year comprises 53 weeks (e.g., year ending 4th July, 1920), each number is to be increased by 1, so that full benefits are not payable unless 51 contributions are credited.

11.—Arrears Calculations for the Contribution Year ending 30th June, 1918.

134. It should be noted that no reduction of the benefits of a voluntary contributor can be made on account of arrears in the period from 1st July, 1918, to 3rd November, 1918. If a member is on the funds on 30th June, and the total amount of outstanding arrears under the old scheme has not been recovered by that date, he will as from 1st July be entitled to benefit unreduced on account of arrears. If, however, his illness continues beyond 3rd November he will as from 4th November be liable to suffer reduction of benefit on account of his arrears for the contribution year ending 30th June, 1918.

135. The first calculation under the new scheme will be for the contribution year ending 30th June, 1918. The period of grace will run to 29th September, 1918, and the benefit year will cover the period of 14 months from 4th November, 1918, to 4th January, 1920.

Contribution Register Entries.

136. The arrears which accrued against a voluntary contributor for the contribution year 2nd July, 1917, to 30th June, 1918, are to be taken into account in the arrears calculation, but as, under the old scheme, benefit was withheld from every member until the amount of his arrears outstanding at the date of his claim had been recovered, the following special procedure for ascertaining the number of contributions to be credited for the purpose of the arrears calculation is necessary for the contribution year ending 30th June, 1918 :—

(*a*) Enter the contribution cards for the half-year ending 30th June in the Voluntary Contributors' Contribution Register for that half-year and make the arrears calculation for the half-year under the old scheme (see Circular 37L/AGD.).

(*b*) If the calculation gives an entry in column 28 ("Arrears Outstanding") the amount in column 28 should be divided by 7d. (for women 6d.) and the resulting number, fractions being disregarded, deducted from 52.

(*c*) The number obtained at (*b*) is the number of contributions to be credited for the purposes of the arrears calculation for the contribution year ending 30th June, 1918.

(*d*) If there is no entry in column 28 of the Voluntary Contributors' Contribution Register the member will be credited with 52 contributions for the purposes of the arrears calculation.

137. The name of every voluntary contributor should now be transferred to a special section of the Employed Contributors'

Contribution Register for the year ending 30th June, 1918, headed "Voluntary Contributors," and in column 8 there should be entered against the member's name the number obtained at (*b*) in the last paragraph. The Arears Penalty for a voluntary contributor is the number by which his contributions for the year fall short of 50. The number to be entered in column 9 will therefore be the difference between 50 and the number in column 8. The letters "s. d." at the head of columns 9 and 10 should be struck out, these columns in the case of voluntary contributors being used to show the *number* of arrears outstanding and paid respectively.

138. A voluntary contributor who has ceased to pay contributions remains an insured person entitled to sickness, disablement and maternity benefits, subject to arrears, for a period of 12 months from the end of the week for which his last contribution was paid (see paragraph 61 above). The Regulations provide that all contributions paid by a voluntary contributor in respect of a contribution year, arrears paid during the period of grace being included, are, for the purpose of determining the above period of 12 months, to be deemed to have been paid in respect of consecutive weeks (excluding periods of sickness) in the contribution year, beginning with the first week. Nothing would be gained, therefore, by making a note of the week for which the last stamp was affixed to the card of a voluntary contributor.

EXAMPLE.—A voluntary contributor paid 40 contributions for the contribution year ending 30th June, 1918 and 5 arrears during the period of grace.

He should be treated as having paid a contribution for each of the first 45 weeks of that contribution year, that is, to 12 May, 1918, so that, if no further contributions are received from him, his "free year" will ordinarily run to 11th May, 1919.

Preparation of Members' Record Cards.

139. As soon as the entries in column 9 of the Contribution Register have been made the Record Cards should be prepared for issue to the members. The Society should not complete the detailed record of contributions paid for each half-year and of sickness weeks, but should bracket these items and enter in the space provided for the total the number in column 8 of the Contribution Register. If there were no arrears for the year, 52 will be entered as the total. The Arrears Penalty (i.e., the number of arrears), if any, will be entered from column 9 of the Contribution Register.

Preparation of Arrears Notices.

140. If an Arrears Penalty is outstanding an Arrears Notice should be prepared. In the case of voluntary contributors the notice does not appear on a special arrears card, but is a separate form (copies of which will be supplied to Societies), and a *Contribution* card (Class C for men, F for women) for the

half-year ending 30th June, 1918, marked "Arrears" across the top of the stamp side, should be issued with the notice.

The arrears are payable at 7d. (6d. for women), although a higher rate of contribution may have been payable up to 30th June, 1918.

141. An arrears notice, with the necessary contribution card, must be sent by 11th August, with his Record Card, to every voluntary contributor who is in arrear.

Completion of Contribution Register after 11th August.

142. The Contribution Register entries for voluntary contributors should be completed in accordance with the instructions for completing the entries for employed contributors, except that the *number* of arrears paid, and not the *amount* paid, should be entered in column 10.

Application to Persons in Intermittent Employment who are treated as Voluntary Contributors (see paragraph 116).

143. In the case of those persons who, having paid less than 40 contributions in each of the two years ending 1st July, 1917, and 30th June, 1918, are for arrears purposes to be treated as voluntary contributors (see paragraph 116), the entries on the Employed Contributors' Record Cards should be transferred to Voluntary Contributors' Record Cards, which should be specially marked to distinguish them from those of ordinary voluntary contributors. The arrears calculations on the Record Card should be completed and the necessary Arrears Notice with a Class C or F card should be issued. The necessary entries in the special section of the Employed Contributor's Contribution Register should then be made.

(C) Mercantile Marine.—Foreign-Going Seamen.

144. Under the new arrears scheme the Contribution Year and the Period of Grace for foreign-going seamen are the same as for ordinary employed contributors. If, however, a foreign-going seaman is on a voyage at the end of the contribution year the period of grace in his case will extend to the end of 4 weeks after the termination of the voyage or to the end of the ordinary period of grace, whichever is the later date. So long as there are not more than two weeks between any two voyages, they are to be treated as one continuous voyage for this purpose.

145. When the period of grace is extended beyond the end of the ordinary period of grace, the new Benefit Year will not begin before the end of 6 weeks after the termination of the voyage. If the member claims benefit before the beginning of the new Benefit Year as so determined his rate of benefit will, until the new Benefit Year begins, be determined by his arrears for the previous contribution year.

EXAMPLE.—A.B. returns to the United Kingdom on 5th March, 1919, from a voyage which began in May, 1918. His arrears position for the period 1st January, 1917, to 30th June, 1918, is then ascertained, and an arrears notice

should be issued to him before 19th March, 1919, giving an opportunity to pay the Arrears Penalty before 2nd April. The new Benefit Year does not commence in his case until 16th April, 1919, and will run until the end of the ordinary Benefit Year, unless it is then extended as the result of another long voyage.

Calculation of Arrears for Contribution Year ending 30th June, 1918.

146. The Contribution Year ending 30th June, 1918, for foreign-going seamen covers the period of 18 months from 1st January, 1917, to 30th June, 1918. It is therefore necessary to adapt Column 1 of the Tables in paragraph 101 by adding *24* to each of the numbers in that column. The tables as adapted are reproduced below :—

MERCANTILE MARINE (FOREIGN-GOING SERVICE).

MEN.

No. of Contributions including "Added" weeks * and weeks of Sickness. (1)	Rates of Benefit after 104 weeks of insurance and payment of 104 contributions.		Rates of Sickness Benefit (after payment of 26 Contributions) until 104 Contributions have been paid. (4)	Arrears Penalty being sum payable to avoid reduction of benefit. (5)
	Sickness Benefit. (2)	Disablement Benefit. (3)		
	s. d.	s. d.	s. d.	s. d.
72 and over	10 0	5 0	6 0	Nil
68-71	9 0	4 6	5 6	1 0
64-67	8 0	4 0	5 0	2 0
60-63	7 0	3 6	4 6	3 0
55-59	6 0	3 0	4 0	4 0
50-54	5 0	2 6	3 6	5 0
49 and under	Nil and Maternity Benefit suspended,	Nil	Nil	7 6

WOMEN.

No. of Contributions including "Added" weeks * and weeks of Sickness. (1)	Rates of Benefit after 104 weeks of insurance and payment of 104 contributions.		Rates of Sickness Benefit (after payment of 26 Contributions) until 104 Contributions have been paid. (4)	Arrears Penalty being sum payable to avoid reduction of benefit. (5)
	Sickness Benefit. (2)	Disablement Benefit. (3)		
	s. d.	s. d.	s. d.	s d.
72 and over	7 6	5 0	5 0	Nil
68-71	7 0	4 6	4 6	0 6
64-67	6 6	4 0	4 0	1 0
60-63	6 0	3 6	3 6	1 6
55-59	5 6	3 0	3 0	2 0
50-54	5 0	2 6	2 6	2 6
49 and under	Nil and Maternity Benefit suspended.	Nil	Nil	5 0

* See paragraph 75 (i).

147. The arrears calculation should be made in the Mercantile Marine Contribution Register for the Seamen's Contribution Year ending 30th December, 1917. The following amendments of the column headings on the left-hand page should be made :

Columns 5 and 6.—Alter date to "30th June, 1918."

Column 8.—Strike out "Seamen's" and for "1918" substitute "ending 29th June, 1919."

A gummed slip has been provided for the purposes of the arrears calculation (see page 55).

148. Societies were instructed in paragraph 7 of Circular 37 S/A.G.D. to hold up the cards of foreign-going seamen in hand at 30th December, 1917. These cards, together with all cards received since that date, should be entered in Columns 5 and 6 of the Register. The contributions at the foreign-going rates should be entered in the Register at the rates actually paid, viz., 6d. (women 5d.) or 2d. ; that is, no calculation of the maximum number payable by the seaman for the calendar year 1917, and no adjustment on that account of the contributions paid, should be made.

149. If a card is surrendered for a voyage which began before 30th June, 1918, and ended after that date, the contributions for the weeks up to 30th June should be entered in Column 6, and the contributions for the weeks after that date should be entered in Column 8.

150. The slip, to be gummed on the right-hand page of the Register with the new column headings covering the original headings, is reproduced opposite.

Columns 9, 10, and 11 are to be completed in exactly the same way as the corresponding columns in previous years.

Columns 12 to 14 will be completed without difficulty from the explanations given in the Column headings. The amount to be entered in Column 15 will be found in the following Table :—

Number of Contributions, &c.	Arrears Penalty.	
	Men.	Women.
72 and over	Nil	Nil
68-71	1/-	-/6
64-67	2/-	1/-
60-63	3/-	1/6
55-59	4/-	2/-
50-54	5/-	2/6
49 and under	7/6	5/-

ARREARS CALCULATION FOR PERIOD 1 JANUARY, 1917, to 30 JUNE, 1918. Form 437A/AGD.

Contributions at 7d. and 6d. paid for period 1 January, 1917, to 30 June, 1918.						No. of "Added weeks." (¼ of total number of contributions at 6d. in Cols. 9, 10 and 11).	No. of weekly contributions not paid on account of incapacity *and for new entrants no. of weeks from 1 Jan., 1917, to date of entry.*	Total, of Cols. 9 to 13	Arrears Penalty.	Arrears Penalty paid.		Amount *to* which rate of Sickness Benefit is to be reduced.	Extended period of grace cases only.	
Included in Returns for 2nd Half-Year, 1916.		Included in Returns for 1st ½-Year, 1917, and period 2 July 1917, to 30 June, 1918, viz.: Sum of contributions in Cols. 4 and 6 less sum of contributions in Col. 7 and 8.		Included in Returns for 2nd Half-Year, 1918, and 1st Half-Year, 1919.						Amount.	Date of Payment.		Arrears Penalty paid.	
@ 7d.	@ 6d.	@ 7d.	@ 6d.	@ 7d.	@ 6d.				s. d.	s. d		s. d.	s. d.	Date of Payment.
(9)		(10)		(11)		(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

Preparation of Members' Record Cards.

151. Special Record Cards have been provided for foreign-going seamen, and a supply has been sent to Societies having mercantile marine members.

152. As cards surrendered before 30th June, 1918, should already have been entered in detail in the members' Insurance Books, the Society need not do more than enter in the "Contributions Paid" space on the Record Cards the total at each rate of Columns 9, 10, and 11 of the Register. The "added weeks," sickness weeks, total, and Arrears Penalty (if any) should be entered from Columns 12, 13, 14, and 15 of the Register.

Issue of Arrears Notices.

153. The form of Arrears Notice provided for ordinary employed contributors will be used for mercantile marine foreign-going members, and should be completed in the same way (see paragraph 118).

These notices should be issued to the members by the 11th August. No extension of the period of grace for a foreign-going seaman can be given except in the special circumstances set out in paragrph 129.

Completion of Contribution Register.

154. On the receipt during the period of grace of a stamped arrears card from a member after the issue of the notices the amount paid and date of payment should be entered in Columns 16 and 17. If, before the end of the period of grace, a contribution card is received after the entries in Columns 9 to 14 have been made, the contributions up to 30th June, 1918, should be entered in Column 6 (contributions for weeks after that date being entered in Column 8), the entry in Column 10 should be amended to include the further contributions, the entries in Columns 12 to 15 should be struck out and amended entries made. Column 18 of the Contribution Register should be completed after 29th September by entering the reduced rate of sickness benefit to which the member will be entitled in the Benefit Year beginning on 4th November, 1918 (see paragraph 128).

(D) Miscellaneous.

(i.) *Change from Voluntary to Employed Insurance.*

155. The arrears of a member who, having been a voluntary contributor, becomes an employed contributor in the second half (January to June) of a contribution year should be calculated at the end of the contribution year as if he had remained a voluntary contributor. A member who ceased to be a voluntary contributor and became an employed contributor during the first half (July to December) of a contribution year will be regarded as an employed contributor for arrears purposes at the end of the contribution year if he satisfies his Society (i.) that he was

employed throughout the remainder of the contribution year; or (ii.) (if he was unemployed for any part of that period), that his unemployment was due to sickness or to inability to obtain employment. If, however, he cannot satisfy this test his arrears for the contribution year must be calculated as if he had been a voluntary contributor throughout the year.

(ii.) *Change from Employed to Voluntary Insurance.*

156. As explained in an earlier section of this memorandum (paragraph 64), it is necessary, before a person can become a voluntary contributor, that he should have been an employed contributor, and before ceasing to be employed should have been employed and insured for a period of at least 104 weeks, whether continuous or not. If a person who satisfies this condition desires to become a voluntary contributor he must give notice to his Society before the expiration of the free year's insurance (i.e., before he automatically ceases to be a member of his Society), and on giving such notice he is to be treated as having become a voluntary contributor from the end of the week in which he was last employed.

157. There are two types of cases to be distinguished :—

(i.) *When notice is given not later than the end of the period of grace following the contribution year in which the member ceased to be employed.*

In this case the arrears for the contribution year should be calculated in accordance with the scheme for voluntary contributors as if the member had been a voluntary contributor throughout the year.

(ii.) *When notice is given after the end of the period of grace following the contribution year in which the member ceased to be employed.*

In this case if less than 48 contributions were paid for the contribution year the member will only be entitled, in the succeeding benefit year, to the benefits which his insurance as an employed contributor would have given him and if through a non-payment of the Arrears Penalty his sickness and disablement benefits have been reduced in that benefit year, he cannot revive his right to full benefits by any payment which he may make on electing to become a voluntary contributor. On the other hand, by making such a payment he can carry on his right to benefit from the date when his "free year" would otherwise end to the termination of the benefit year, and it must be expected that he is willing to make this payment and so give practical effect to his expressed desire to continue in insurance as a voluntary contributor. The payment in question, which must be made within 14 days after he is informed by his Society of the amount thereof, is ascertained in the following way :—

(1) Find

(*a*) the number of contributions paid and of sickness weeks for the contribution year;

(*b*) the rates of benefit to which he would have been entitled as an employed contributor in the succeeding benefit year;

(*c*) the number of contributions which a voluntary contributor would have to pay to secure the rates of benefits at (*b*).

(If in the case of a woman there is not a voluntary rate of sickness benefit exactly the same as the employed rate at (*b*), the next higher rate in the voluntary scale should be taken and the number of contributions at (*c*) obtained therefrom.)

(2) Deduct (1) (*a*) from (1) (*c*).

(3) Multiply 7d. (for women 6d.) by the number obtained at (2) and deduct the amount of any Arrears Penalty already paid by the member during the period of grace.

Payment of the amount obtained at (3) (any fraction of a contribution being disregarded) will secure for the member sickness, disablement, and maternity benefits for the remainder of the benefit year. The rates at which sickness and disablement benefits will be payable will be the rates ascertained at (1) (*b*) above.

158. It is the duty of the Society, on receiving notice from the member of his wish to become a voluntary contributor, to send to him a notice telling him (i) the amount of the special payment he must make if he wishes to secure sickness, disablement, and maternity benefits throughout the benefit year and (ii) that payment can only be accepted if made within 14 days after the receipt of the notice.

(iii.) *Married Women.*

(*a*) *Class K.*

159. A special arrears calculation is required where a married woman ceases to be entitled to the ordinary benefits of the Act and becomes entitled to the special benefits provided in lieu thereof (see paragraph 31 above). The procedure to be adopted is as follows:—

(1) Ascertain the number of weeks which have elapsed at the date on which she ceases to be entitled to the ordinary benefits (viz., the "date of unemployment" or the date of marriage, whichever is the later) since the beginning of the previous contribution year, and the number of contributions (including weeks of sickness) paid in respect of those weeks.

(2) If the number of weeks does not exceed the number of contributions by more than 12*, the member is not subject to any reduction of benefit by reason of arrears.

(3) If the number of weeks exceeds the number of contributions by more than 12*, the *excess over 12* repre-

* Six in the case of a voluntary contributor.

sents the recoverable arrears for the period, and the amount of recoverable arrears is obtained by multiplying 6d. by that number.

(4) If no Arrears Penalty was paid in respect of the last contribution year, the amount of recoverable arrears will be deducted from any maternity benefit payable to the member, *provided that in no case will this benefit be reduced below £1.* If the Arrears Penalty was paid in respect of the last contribution year, the *excess only* of the amount of the recoverable arrears over the amount so paid is to be deducted from the maternity benefit. The reduced amount of maternity benefit to which the member will be entitled should be entered in the Marriage Register (see paragraph 187 below).

(5) The special sickness benefit of a woman who has been an *employed contributor* is not subject to reduction in respect of arrears in any circumstances. If, however, the amount of the recoverable arrears (or the balance thereof) debited against a woman who has been a *voluntary contributor* exceeds 10s., no sickness benefit will be payable to her, and her maternity benefit will be reduced to £1 as above.

(*b*) *Married Women in Intermittent Employment.*

160. The 1918 Act provides that although a married woman cannot be a voluntary contributor, a married woman who is employed for less than a certain period in each of two successive years is to be treated for arrears purposes in the same way as a voluntary contributor. In order to fix this period the Regulations apply the general provisions as to intermittently employed persons (see paragraphs 111 to 116) to a married woman, subject, however, to the condition that she must have been employed for at least 13 weeks in one of the two contribution years, or for such a period that her weeks of employment added to any weeks of incapacity make a total of at least 13. If she has not satisfied this condition her membership may be terminated under the procedure described in the following paragraphs.

EXAMPLE.—In making up the contribution record of a married woman at the end of a contribution year the Society finds that she was only employed in that year for 10 weeks. On referring to the register for the preceding contribution year, it is seen that she was employed for 16 weeks (or was employed for 10 weeks and drew sickness benefit for 6 weeks) in that year. She should accordingly be treated as a voluntary contributor for arrears purposes.

If, however, she had been employed for 12 weeks only in the earlier year it would not be open for her to pay arrears as a voluntary contributor for the second year, because she had not been employed for at least 13 weeks in one of the two years.

(iv.) *Termination of Membership.*

161. The Arrears Regulations empower a Society to terminate, upon giving him due notice, the membership of any person, whether a voluntary contributor or an employed contributor, who in two successive contribution years has been in arrears for at least three-quarters of each year.

162. In the case of a married woman this right may be exercised even if she has cancelled arrears by making the appropriate payment. Societies will therefore observe that where, owing to shortage of contributions in two successive years, it is the intention to terminate her membership a married woman should not be given an opportunity of paying arrears in the second year, as she could derive no advantage therefrom.

163. Notice of termination of membership has to be given in writing to the member within 28 days after the end of the period of grace, and the termination takes effect from the commencement of the next benefit year.

164. Persons whose membership is terminated in these circumstances are entitled to apply to the Commissioners for certificates of exemption. In connection with the applications for certificates, certain particulars are needed from the Society's records to enable the Commissioners to consider the application. The form of claim (Form X1 (e)) contains a space (on page 3) for those particulars. Societies on giving notice of termination of membership should advise the members of their right to claim exemption and supply them with copies of Form X1(e) (which may be obtained from the Commissioners on application), first inserting the particulars to be given by the Society. It should, however, be made clear that it rests with the member to decide whether or not to claim exemption.

(v) *Serving Sailors, Soldiers and Airmen (Class B).*

165. The Regulations provide that if an insured person is in arrears at the date of his joining the Navy, Army, or Air Force, his arrears are to be cancelled forthwith. Every man will, therefore, on discharge from 1st July, 1918 onwards be free of arrears irrespective of the date of his enlistment.

It should, however, be noted that where discharge took place in the course of the contribution year ending 30th June, 1918, the penalty arrears for the contribution year preceding the date of his enlistment will be discharged out of the Benevolent Fund and should accordingly be entered in Column 20 of the Contribution Register. After the end of the contribution year ending 30th June, 1918, the Benevolent Fund will no longer be required.

(vi) *Arrears of Persons who have been engaged in War Occupations.*

166. The general procedure applicable to insured persons who have been engaged in war occupations is explained in paragraphs 69 to 73, but there are two types of cases which require special mention in connection with the arrears calculations :—

(i) The first type comprises cases in which, although all contributions for the period of the war occupation have been paid, the member may still be liable to suffer reduction of benefit by reason of the fact that arrears had accrued, before the war occupation began, in the contribution year in which he relinquished

his insurable employment. This liability can only arise when the benefit year succeeding the contribution year referred to has not expired at the date of the termination of the war occupation.

In these cases the Society should make the arrears calculations for the contribution year in which the insurable employment ceased, and the member should be given an opportunity of paying any Arrears Penalty resulting from the arrears which accrued before his war occupation commenced. For this purpose the Society should, if necessary, extend the period of grace until the end of two months from the date on which the war occupation terminated, and should inform the member of the date by which payment of the Arrears Penalty must be made. He should also be informed that the revised calculation will take effect from the date of payment of the arrears.

EXAMPLE.—A.B. ceased insurable employment on 10th October, 1917, all contributions for the contribution year having been paid to date. He entered on a war occupation on 28th November, 1917, and relinquished that occupation on 3rd December, 1918. Arrears for the period of war occupation are paid by the employer.

His record for the contribution year ending 30th June, 1918, is therefore:—

In respect of insurable employment	15
In respect of war occupation (from 28th November, 1917, to 30th June, 1918)	31
Total	46

The rate of sickness benefit to which he is entitled is therefore 9s., but he should be given an opportunity of paying 1s., the appropriate Arrears Penalty, and informed that if payment is made by 2nd February, 1919, his rate of sickness benefit will be 10s. as from the date of payment.

(ii) The second type comprises cases in which (*a*) a payment of contributions in respect of the period of war occupation is not being made by the employer, (*b*) the war occupation terminated before the expiration of twelve months from the end of the week in which the member was last employed, and (*c*) the contribution year in which he relinquished insurable employment ended before the termination of the war occupation.

In these cases the Society should, immediately after the termination of the war occupation, make the arrears calculation for the contribution year which has expired, and should issue to the member an Arrears Notice, the period of grace being extended, if necessary, to the end of two months after the termination of the war occupation. The member should be informed of the date by which the Arrears Penalty must be paid, and also that the revised calculation will take effect as from the date of payment of the arrears.

EXAMPLE.—C.D. relinquished insurable employment on Wednesday, 20th March, 1918, all contributions for the contribution year having been paid to date. He entered on a war occupation on Monday, 25th March, which terminated on 10th October, 1918. The arrears for the period of the war occupation are not being paid by the employer.

The member's contribution record for the contribution year ending 30th June, 1918, is 38 (paid in respect of insurable employment), and the appropriate Arrears Penalty is 3s.

The Society should issue to him an Arrears Notice showing 8s. as the Arrears Penalty, and should inform the member that

payment will be accepted if made by 9th December, and that the revised calculation will take effect from the date of payment of the arrears.

It should be noted that if the member returns to insurable employment before the end of his "free year," viz., before 24th March, 1919, his insurance will be continuous, whether or not he pays his arrears.

PART III.

ACCOUNTS AND RECORDS.

(A) Benefits Register.

167. The present register will be continued in use until 31st December, 1918, but from 1st July, 1918, the modifications set out below will be applied to the procedure at present followed. New forms of register will be issued for use in 1919.

168. From 1st July, 1918, the Register need be kept in only three sections: (*a*) men, (*b*) women and (*c*) women entitled to special benefits on or after marriage (Class K). The entries for the first half of the year will have been made under the six separate sections then in use, and most societies and branches will probably find it more convenient to maintain these sub-divisions until the end of the year. There is no objection to this course being followed, but payments to Class K members must be recorded in a separate section of the Benefits Register.

169. In the case of new entrants a lower rate of sickness benefit is ordinarily payable to members who have not been in insurance for 104 weeks and have not paid 104 contributions (see paragraph 2). It will, therefore, always be necessary to ascertain—(*a*) date of entry (from Membership Register) and (*b*) number of contributions paid (from Contribution Register and current contribution card) until the necessary conditions have been fulfilled. It may be found desirable to insert, in pencil, a guard note "104th week," in the appropriate sub-column 12, 15 or 16. It is, of course, not possible to forecast the date from which benefits at the full rate will become payable, as that date depends on the payment of 104 contributions.

170. It should, however, be observed that in the case of certain existing late entrants who have not been insured for 104 weeks (see paragraph 5 (a)) the full rate of sickness benefit will be payable.

171. Special precautions will be necessary to avoid payments being made to members who have ceased employment and whose "free year" of insurance has expired. If benefit is claimed before the expiry of the "free year" a guard note "Benefits cease" should be made, in pencil, in the weekly sub-column of column 12, 15 or 16, in which the right to cash benefits would have expired. It must be remembered that periods of sickness are excluded in calculating the free year, and the date of expiry of the free year can-

not, therefore, be fixed in advance. The pencilled guard note will, therefore, require to be moved forward at the end of each period of sickness occurring during the free year. As soon as the date of expiry is definitely known the date should be entered in column 17 of the Membership Register.

172. Married women (Class K) receiving special benefits after marriage will be entered in a separate section of the Benefits Register. Upon receiving a claim for benefit from a member in this Class her position should be ascertained from the records kept in the Marriage Register. (See paragraphs 186 *et seq.* below.)

173. Column 19 will not be used from 1st July, 1918.

Benefit Docket.

174. As from 4th November, 1918, when the new arrears scheme comes into force, the docket will no longer be required.

(B) Membership Register.

175. The instructions in this paragraph apply only to the entries to be made in the register respecting new entrants, changes, and exits after the 30th June, 1918, unless it is definitely stated otherwise.

Columns 1 and 2. No change.

Column 3. After 30th June, 1918, there will be only the following classes :—

Class.	Description.	Rate of Contribution.
		d.
A.	Men employed contributors	7
A. (M.)	„ „ on foreign trade ships ..	6
B.	„ in Navy, Army, or Air Forces ..	3
C.	„ voluntary contributors	7*
E.	Women employed contributors	6
E. (M.)	„ „ on foreign trade ships	5
F.	„ voluntary contributors	6*
K.	„ entitled to special benefits on or after marriage	Nil.

* If a voluntary contributor is not entitled to medical benefit, the rate of contribution is reduced by 1½d.

Columns 4 and 5. No change.

Column 6. No change, but see paragraph 178 below concerning re-entrants.

Column 7. As the rate of benefit will no longer depend on the member's age on entry, this column need not be filled up if the date of birth is given.

Column 8. The new rate of weekly contribution in every case in which the new Act makes a change should be inserted in red ink.

Columns 9 and 10. The rate of benefit will always be 10s. for men and 7s. 6d. for women after completion of the waiting period (see paragraph 2), except for members in Class B or Class K. Instructions are given in paragraphs 169 to 172 as to the precautions to be taken when paying benefits to (*a*) new entrants, (*b*) members receiving the "free year's insurance," and (*c*) Class K members.

Column 11. No change.

Column 12. No change, but see paragraph 180 below.

Columns 13 and 14. If a Society or branch has already entered in Column 14 the transfer values credited and in Column 13 a reference to the ledger folio on which the credit is entered, the practice may be continued, but this detailed information will no longer be essential. It will, however, be necessary for the Society or branch to make sure it receives credit for all the transfer values to which it is entitled, and to this end it will be enough if in column 13 the Society or branch records the date of the relative Commissioners' advice of credit; if this is done, no entry will be necessary in Column 14. This instruction applies equally to entries in respect of members joining a Society or branch before the 1st July, 1918.

Column 15. No change.

Column 16. This information will no longer be required. See note to Column 7.

Columns 17 and 18. See paragraph 181.

Column 19. No change, but see paragraph 180.

Columns 20 and 21. The instructions regarding columns 13 and 14 apply to these two columns. If column 21 has not been used for recording the transfer values debited, it can with advantage be used for entry of date of marriage of women members. If, however, the column has already been used, the date of marriage should be entered in the Remarks column. Information as to date of marriage is very important in view of the amendments of the Acts concerning the benefits of married women (see paragraphs 26 *et seq.*)

(C) Membership Alterations.

I. Alterations to be Made in Registers in Respect of Changes in Membership Which Take Effect Prior to 1st July, 1918.

176. In Circulars A.S. 151 and 151a, reprinted on pages 267-281* of the Handbook, instructions were given as to the methods which should be adopted in recording the various alterations in the Membership Register, and those instructions should be followed in respect of changes taking effect prior to 1st July, 1918.

* Pages 260-274 of the Scottish Edition and pages 257-271 of the Welsh Edition.

177. The Commissioners understand that some Societies have been in doubt as to the procedure to be followed in dealing with cases referred to in paragraph 16 of those Circulars where the Society is unable to ascertain the actual date on which insurance ceased. In these cases where a member has not surrendered cards for two consecutive half-years the Society should take all reasonable steps to ascertain the reason. If no information is forthcoming the member should in all cases, except those specified below, be treated as having gone out of insurance at the end of the half-year for which he last surrendered a card, and that date should be entered in column 17 of the Membership Register. If it appears probable from a man's age that he has joined the Forces since July, 1914, although the Society has no definite information on the point, he should not in the meantime be written off as having ceased employment, but " ? joined Army " should be written in the Remarks column in pencil.

II. Alterations to be Made in the Registers in Respect of Changes in Membership Taking Place on or After 1st July, 1918.

(a) New Members.

178. Care should be taken that full particulars of all new members are at once entered in the Membership Register. Persons who, having ceased to be insured persons and members, subsequently rejoin the Society should be treated in all respects as new members, and the date of entry into insurance to be recorded should be that on which they again became insured. No reference need be made to any previous periods of insurance. In cases where no stamped card has been received and two contribution periods have elapsed since the date of application for membership, the names should be struck out and " No card received " entered in the Remarks column. The names should also be struck out in cases where cards have been surrendered in error either because the person was never entitled to be insured or because he was in fact a member of another society, and an appropriate note made in the Remarks column.

179. Where the admission is by transfer from another Society or branch or from the Deposit Contributors' Fund entries should be made as for any other new members, including the date of entry into insurance, but columns 12, 13, and 15 should also be filled up.

180. It is suggested that for convenience of reference, the most suitable way of completing column (12) is as follows :—

(1) Transfers from a Centralised Society : Prefix the letters " A.S. " to the approval number of the old Society and add the membership number in that Society.

(2) Transfers from a Branch of a Society : Prefix the letters " A.S. " to the approval number of the old Society and the letters " Bch. " to the number of the Branch and add the membership number in the Branch.

(3) Transfers from Navy and Army Insurance Fund :— Prefix letters "N. and A." to the membership number in the Navy and Army Insurance Fund.

(4) Transfers from Deposit Contributors' Fund :— Prefix letters D. C. to the membership number in Deposit Contributors' Fund.

It should be noted that actual transfers from the Deposit Contributors' Fund are advised on Forms 631 (B) (C) (D) or (E)/A.G.D. Notifications on Forms 400 and 400 (B)/A.G.D. relate to persons for whom no accounts in the Deposit Contributors' Fund have been opened, and these persons are treated as members of the Society from entry into insurance. No entries should be made, therefore, in column (12) or (15) in such a case.

(b) **Termination of Membership.**

181. Below are shown the cases in which membership of the Society or branch ceases and the entry to be made in column 18 of the Membership Register :—

Cause of Cessation of Membership.	*Entry to be made in column 18.*
(1) Death.	(1) Died.
(2) Transfer to another Society or Branch.*	(2) Transferred.
(3) Transfer to Deposit Contributors' Fund, whether on expulsion or resignation.	(3) Became D.C.
(4) Cessation of membership from other causes, e.g.,	(4)
Termination of insurable employment.	Ceased I.E.
Certificate of exemption taken.	Certificate of exemption taken.
Emigration.	Emigrated.
Cessation of Voluntary Insurance.	Ceased to be V.C.

* Or, in the case of International Societies, not valued as a whole, transfer to a part of the United Kingdom where the members are treated for valuation purposes as a separate body.

182. The date of termination of membership and the cause should be entered in columns (17) and (18) of the Membership Register. Care should be taken in filling up these columns to state the cause accurately. A transfer value is debited to the Society in some of the cases above-named, but not in other cases, and mistakes made by a Society as to the exact cause of exit might result in unnecessary alterations of its credits with the Commissioners. For example, if any case of termination of membership was entered up as due to a cause other than death, when, in fact,

the member had died, the Society would be prejudicially affected by being debited with a transfer value which, if all the facts were known, it was really entitled to retain. It follows that in their own interests Societies must be careful to ascertain and record in each case the real cause of exit or cessation of insurance. All notifications received should be filed carefully for production to the Government Auditor.

183. Where the cause of exit is transfer to another Society or another branch of the same Society, the number of the Society and branch (if any), or branch of the same Society, as the case may be, to which the member is transferred should be shown in column (19) in the manner indicated above concerning column (12). (See paragraph 180.)

184. In the case of (*a*) persons who cease to be employed (as evidenced by their failure to surrender cards for two consecutive half-years, (*b*) persons who have emigrated, (*c*) voluntary contributors who cease to contribute, the date of exit to be entered in column 17 of the Register is the date on which the contributor *ceased to be a member*, i.e., the date on which the free year's insurance expired, and not, as in the cases of exits prior to 1st July, 1918, the end of the half-year for which the last contribution card was surrendered.

(c) Changes affecting Women.

185. The position of women after marriage is explained in paragraphs 26 *et seq.* It will be seen that the Society may not be able to determine whether a woman has ceased to be employed until a year has elapsed since her marriage, and it is, therefore, important that these cases shall be dealt with in a systematic manner. For this purpose the Marriage Register* has been prescribed by the Commissioners, and care should be taken that it is always written up to date.

Entries to be Made in the Marriage Register.

186. On intimation of the marriage of a woman member, Part A of the Marriage Register should be completed, and in the Membership Register the surname of the member should be altered and the date of marriage entered in column 21, or, if that column has already been used, in the Remarks column (22).

187. On its being ascertained that the member has ceased to be employed for eight consecutive weeks (see paragraph 192), and consequently is transferred to Class K., the first three columns of Part B of the Marriage Register should be completed, and if the woman was in arrear the amount of the Maternity Benefit, as reduced in accordance with paragraph 159 (4) should be entered in red ink under the date shown in column (2). "The date of unemployment" to be entered in column (1) is the last day of the week in which the eight weeks of consecutive unem-

* A specimen page is printed as Appendix III. (p. 97) for convenience of reference.

ployment were completed. The right to maternity benefit ceases after the end of the second year from the date of the member's marriage, and the right to sickness benefit ceases after the end of one year from the date of unemployment. In those cases where the member had not been employed up to the date of marriage the year will run from the end of the eight weeks of unemployment, whether they were completed before or after marriage. It is to be noted that the member will be entitled to medical and sanatorium benefits up to the end of the calendar year in which the right to sickness benefit ceases as shown in column (3).

188. On a claim for benefit being paid the appropriate entries should at once be made in columns (4) and (5) of Part B, the duration of each separate period of sickness being entered in the correct column. It is most important that the entries in this Register should be kept up to date, as the Society can then see at a glance when a further claim is made; whether the right to maternity benefit or sickness benefit has already been exhausted.

189. If the member has returned to employment before the right to sickness benefit has ceased the date of re-entry should be entered in column (6). But if she has not so re-entered the date when the Orange Slip was despatched to the Insurance Committee concerned should be stated in column (7).

As explained above (paragraph 38), where a married woman who has been transferred to Class K resumes employment before the second anniversary of her marriage she is to be treated as a new entrant. A fresh entry should be made in the Membership Register, but if she has not already exhausted her right to the special benefits of Class K, a cross reference should be made in the Remarks column to the appropriate folio of the Marriage Register.

190. Where the member continues in employment for a year after marriage, Part C should be completed by the entry of the date of completion of the year.

191. *As soon as a member has been entered in Part B or Part C of this Register the corresponding entries should be made in the Membership Register.* If she has ceased to be employed the Class should be altered to "K." If, on the other hand, she has remained in employment for a year after marriage "R.V. claimed" (see paragraph 209) should be entered in the Remarks column.

192. In order to ascertain whether a woman member has ceased to be employed it will be necessary, when the contribution cards are received at the end of the half-year, to pay special attention to all cases where Part A. of the Marriage Register has been completed, but where no entry has been made in Parts B. or C.

(d) Change of Class or Alteration of Particulars relating to Membership.

193. Where a member changes his class the appropriate alterations should be made in column 3 of the Membership Register in red ink. As regards men who have joined the Forces during the War, no alteration should at present be made in the Membership Register unless the Society has ascertained that the member has died during service, when the change to Class B, with the date of change, should be entered in the Membership Register, and the appropriate entries as regards death should also be made.

194. Where a member of the Society has been discharged from the Navy, Army, or Air Force as medically unfit for further service the words "Discharged invalided" and the date of discharge should be inserted in the Remarks column. Further, if he was awarded a pension in respect of disablement in the highest degree, his sickness and disablement benefits are to be reduced by 5s. a week until a certain period has elapsed after his return to insurable employment (see Circular AS 163B). In this case an additional note should be made in the Remarks column as to the rate of benefits to which he is entitled.

(e) Membership Number.

195. In order to simplify the work of Societies and to avoid unnecessary correspondence, it is essential that a ready identification of returns furnished by Societies should be possible. This result can generally only be obtained if the member's number remains unchanged during his membership of the Society or branch. Where a member changes from one class to another he should not, therefore, be given a fresh membership number. In the case, however, of a member rejoining the Society after having ceased to be a member a new number should be given to him. Where a member has terminated his membership of the Society the vacant membership number should in no circumstances be allotted to another insured person joining the Society.

(f) Contribution Register.

196. If any members whose names are entered in the Contribution Register for the year commencing 3rd July, 1916, have ceased to be members of the Society, the final column of the Contribution Register should be completed, the cause and date of cessation of membership being entered, and the names of those members should not be carried forward to the Contribution Register for the next period.

197. For convenience of reference, the various changes to be recorded are set out in tabular form below :—

Nature of Change.	Column of Membership Register, Form No. 22/A.G.D.	Entries to be Made.	Paragraph in Supplement.
I. New Members.			
Not previously insured.	1–10	All particulars ..	175 and 178
Re-entrants	1–10	All particulars as for a new entrant* ..	175 and 178
Transferred *from* another Society or branch or *from* another part of the United Kingdom for which Society has separate national valuation.	1–10	All particulars as for a new entrant ..	175, 179 and 180
	12	Number of old Society and branch and membership number ..	
	15	Date of transfer ..	
Transferred from Deposit Contributors' Fund.	1–10	All particulars	175 and 180
	12	"D.C." and membership number	
	15	Date of transfer ..	
II. Termination of Membership.			
Died	17	Date	181-2
	18	"Died"	
Transferred *to* another Society or branch or *to* another part of the United Kingdom for which Society has separate national valuation.	17	Date	181 and 183
	18	"Transferred" ..	
	19	Number of new Society or branch and membership number ..	
Became Deposit Contributor	17	Date	181
	18	Became D. C. ..	
Ceased insurable employment	17	Date	181 and 184
	18	Ceased I. E.	
Certificate of Exemption taken	17	Date	181
	18	Certificate of Exemption taken	
Emigrated	17	Date	181
	18	Emigrated	
Ceased to be Voluntary Contributor	17	Date	181
	18	Ceased to be V. C. ..	
III. Changes during Membership.			
Joining Navy, Army, or Air Force	3	Alter to "B" ..	193
	4	Alter to "Sailor," "Soldier" or "Airman" ..	
	8	Alter to 3d.	
	9, 10 and 11	Delete	
	22	"Joined Forces" and date of enlistment ..	

* For special procedure in the case of married women who resume employment within two years of marriage, *see* paragraph 189.

Nature of Change.	Column of Membership Register, Form No. 22/A.G.D.	Entries to be Made.	Paragraph in Supplement.
Discharged from Navy, Army or Air Force ..	3	Alter from "B" to proper class	194
	4, 8, 9, 10 and 11	Alter accordingly ..	
	22	"Discharged" and date of discharge ..	
Employed Contributor becoming Voluntary Contributor	3	Alter to proper class..	193
	22	"V.C. from ....." (insert date)	
Voluntary Contributor becoming Employed Contributor	3	Alter to proper class..	193
	22	"E.C. from ....." (insert date)	
Marriage of Woman Member..	—	Enter particulars in Part A of Marriage Register	186
	2	Alter surname ..	
	21 or 22	Date of marriage ..	
Married Woman becoming Class K	—	Enter particulars in Part B of Marriage Register	187
	3	Alter Class	
Married Woman remaining in employment for one year after marriage	—	Complete Part C of Marriage Register ..	190-1
	22	"R.V. Claimed" ..	
Married Woman becoming a Widow.. ..	22	"Husband died....." (insert date)	—

(D.)—Returns of Alterations.

198. The Act of 1918 and the consequential regulations made have enabled the Commissioners to simplify the form of records which will be required by them for maintenance of the Central Register. Forms of Schedules have, therefore, been prepared (Appendix 4, pp. 98 to 101) which will take the place of the Alteration Books or Cards. There is, of course, no need to re-write on the Schedules particulars of new entrants or of alterations already written in Alteration Books, or on Cards, but henceforth notifications of changes of membership, whether they occurred before or after 1st July, 1918, should be made on the Schedules.

199. Schedules A (men) and C (women) should in future be employed to supply particulars of new entrants and alterations in membership particulars. Schedules B (men) and D (women) should be used for furnishing particulars of persons ceasing to be members and of women marrying.

200. Special attention is drawn to the following points which should be observed in filling up the Schedules.

Schedules " A " and " C."

(i.) *New Entrants.*

201. Full particulars of new entrants, to enable the Commissioners to grant Reserve Values where required, will in future be given on the Schedules. No entry should, however, be made in respect of a person who has not surrendered a stamped card. As the Reserve Value to be granted in the case of persons entering at are 70 next birthday depends upon whether they have paid 27 contributions before attaining age 70, it may be necessary for a subsequent entry to be made in those Schedules (see paragraph 207). Care must be taken to insure that transfers from other Societies (including the Navy and Army Insurance Fund) or branches or from the Deposit Contributors' Fund are not treated as new entrants.

(ii.) *Re-entrants.*

202. The only cases to be treated as re-entrants are :—

(i.) *Re-instatements which took place before 1st July, 1918.*

In these cases the entry under " Nature of Alteration " should be (2) for men and (2a) for women. The date of re-entry should be inserted in column (7) for men or (8) for women, and the date on which the member went out of insurance stated in the Remarks column.

(ii.) *Cases where married women in Class K re-enter insurance within one year of the " date of unemployment."*

In these cases column 6 will be completed by the entry of (2b), and the date of unemployment should be entered in the Remarks column.

203. All other cases of members rejoining the Society, including those members who prior to 1st July, 1918, have been permanently suspended from benefits under the previous Arrears Regulations, should be treated as new entrants, and (1) should appear in column " Nature of Alteration," and the date of entry into insurance to be stated in column 5 (men) or 6 (women) should be the date on which the member again became insured.

(iii.) *Transfers In.*

204. Full particulars as for a new entrant are to be given, and in the column headed " Date of Alteration " should be stated the date of transfer. The number of the Society and branch from which the member is transferred should be entered in the

Remarks column, or, if a transfer from the Deposit Contributors' Fund, "formerly D.C." should appear in that column. The membership number should also be entered.

(iv.) *Change of Class or Alteration of Membership Particulars.*

205. Notification must be given to the Commission of any change of class, the entry in column 6 (men) or 7 (women) being (4) the new class being entered in the Remarks column. The change of class to "K" in respect of a woman who has married must not, however, be given under this head; but must be dealt with as stated in paragraph 213.

206. Any alteration in membership particulars of a continuing member, such as change of name or correction of date of birth, must also be advised and the nature of the alteration should be stated in the Remarks column.

207. In the case of members who entered into insurance at age 70 next birthday and who have not paid 27 contributions upon attaining, the entry in the column headed "Nature of Alteration" should be (4) and in the Remarks column "27 contributions not paid."

(v.) *Death of Husband of Contributing Woman.*

208. The death of the husband of a woman member reduces the financial value of the Society's liability, and it is consequently important that effect should be given to the change in status. The nature of the alteration will be indicated by inserting (5) in column 7.

(vi.) *Continuation of Employment where a Woman has Married after 1st July, 1917.*

209. Where a woman remains in employment for one year after marriage a Reserve Value will be granted, and Societies must take care to make an entry in the Alteration Schedules, inserting (6) in the "Nature of Alteration" column.

In cases where a member has transferred to another Society within the year of marriage the Society to which she has transferred will furnish the particulars and receive the Reserve Value

Schedules "B" and "D."

(i.) *Cessation of Membership.*

210. Full particulars must be entered in each column. Discrimination need only be made between exits from (1) Death, (2) Transfer to another Society or branch, (3) Transfer to Deposit

Contributors' Fund on expulsion or otherwise, (4) Cessation from other causes (see paragraph 181). The cause of exit to be stated in column 6 (men) or 7 (women) will be respectively (1), (2), (3) or (4). In case of transfer, the number of the Society to which the member is transferred should be entered in the Remarks column. The membership number should also be entered.

(ii.) *Marriage.*

211. Particulars of marriage should be entered in the Alteration Schedules as soon as notification is received, and Societies must not delay making the entry until the final position of the contributor is known.

(iii.) *Suspension of Married Women under Section* 44 (1) *of the* 1911 *Act.*

212. All suspensions from ordinary benefits which took effect prior to *1st July, 1918,* must be recorded in the Schedules if not already entered on Alteration Cards or Books. Column 7 will be completed by the entry of 6 (*a*), and in the Remarks column must be entered "Class H" in the case of those women who became special voluntary contributors.

On and after the 1st July, 1918, there will be no entries to be made under this category.

(iv.) *Transfer to Class K.*

213. The Commission must be advised of cases of women who become Class K members. An entry must be made in Schedule D, the nature of alteration being stated as 6 (*b*). The date to be inserted in column 8 is the "date of unemployment" or the date of marriage, whichever is the later.

Summary.

214. For the convenience of Societies the Schedules to be employed and the columns to be completed in the case of each class of notification are shown in the following table :—

Nature of Notification.	Schedule to be employed.	Columns to be completed.	Entry in Col. 6 men or col. 7 women.	Entry in Remarks Column.	Paragraph in Supplement.
New entrant ..	A. men C. women	(1)–(6) (1)–(7)	(1)	—	201
Re-entrant before 1st July, 1918	A. men C. women	(1)–(7) (1)–(8)	(2) (2a)	Date ceased previous insurance	202 (i)
Class K, Married woman who has re-entered within one year of unemployment.	C.	(1)–(8)	2 (b)	Date of unemployment	202 (ii)
Transfer In ..	A. men C. women	(1)–(7) (1)–(8)	(3)	Number of Society or Branch and Member's number	204
Alteration of class or membership particulars	A. men C. women	(1)–(7) (1)–(8)	(4) (4)	Nature of alteration	205
Death of husband of contributing woman	C.	(1)–(4), (7) and (8)	(5)		208
Continuation of employment for one year where a woman has married.	C.	(1)–(8)	(6)	—	209
Died	B. men D. women	(1)–(4), (6), (7) (1)–(5), (7), (8)	(1) (1)	—	210
Transfer Out ..	B. men D. women	(1)–(5), (6), (7) (1)–(6), (7). (8)	(2) (2)	Number of Society or Branch and Member's number	210
Became D.C. ..	B. men D. women	(1)–(7) (1)–(8)	(3) (3)		210
Cessation of membership from other causes	B. men D. women	(1)–(7) (1)–(8)	(4) (4)	—	210
Marriage of woman member	D.	(1)–(5), (7), and (8)	(5)	—	211
Suspensions under Sec. 44 (1)	D.	(1)–(5), (7), and (8)	6 (a)	"Class H," if special voluntary contributor	212
Became Class K.	D.	(1)–(5), (7) and (8)	6 (b)	—	213

Miscellaneous.

215. In the case of International Societies separate Schedules should be used for intimation to the different Commissions, and care should be taken that the entries on the schedules sent to any particular Commission only refer to members who at their date of entry were under that Commission, and whose particulars of membership at entry were sent to that Commission.

216. Each page of the Schedules should be numbered at the top and the name and number of the Society and branch entered thereon.

217. Up to 31st December, 1918, all notifications of new entrants and alterations can be made consecutively on one set of alteration sheets. After that date separate schedules must be employed for each half-year ending 30th June or 31st December, and the schedules for each half-year must be consecutively numbered and attached together.

218. The date as from which membership commenced or terminated, or the date on which a change in membership particulars took effect, will determine the half-year in which the entry is to be made. Thus, if a member died or ceased to be a member in December, 1918, the entry must be made in the Schedules for the half-year ending 31st December, 1918, although the Society may not have received intimation of the fact until some time in 1919. If, however, the Alteration Schedules in respect of the half-year ending 31st December, 1918, have already been examined and forwarded to the Commission before the Society has received advice of an alteration the entry must be made in the alteration schedules for the current half-year.

Despatch of Schedules.

219. After official examination of the Schedules (as to which Societies will be notified in due course) they should be forwarded to the Commission concerned, accompanied by Form 703/A.G.D. completed by the Secretary, addressed as stated below :—

In the case of *English Commission* :—

To The Officer in Charge,
Actuarial Department (Branch Office),
National Health Insurance Commission,
Leonard Street, St. Luke's,
London, E.C.2.

In the case of *Scottish Commission* :—

To The Actuary,
Actuarial Department,
National Health Insurance Commission (Scotland),
Corn Exchange, Grassmarket,
Edinburgh.

In the case of *Welsh Commission* :—

To The Actuary,
Actuarial Department,
National Health Insurance Commission (Wales),
Dumfries Place,
Cardiff.

(E) Suspended Married Women's Register.

220. After 30th June, 1918, no new cases for entry can occur, and the register will be closed in accordance with the instructions given below. To avoid errors and overpayments in the course of closing the register and paying special benefits it is essential that the register should be brought up to date in accordance with the instructions in paragraphs 513-533 of the Handbook.

CLOSING THE REGISTER.

(i.) *Married Women Who Elected to Become Special Voluntary Contributors and Have Since Been Suspended on Account of Arrears.*

221. These members will already have been dealt with under paragraph 17 (B) (1) of Circular A.S. 151 (reprinted on page 272* of the Handbook), and the register can be treated as closed ; care should, however, be taken to see that the Membership Register has been correctly noted and the alterations book or card properly prepared.

(ii.) *Married Women Who Did Not Elect to Become Special Voluntary Contributors, and Who Have Exhausted the Amount Available for Special Benefits.*

222. These cases also can be treated as closed, but a further entry in column 17 of the Membership Register should now be made, the date entered being 31st December, 1918. No entry need be made in column 18. The alterations book or card should have been written up when the member was suspended from ordinary benefits.

(iii.) *Married Women Who Did Not Elect to Become Special Voluntary Contributors, but Have Not Exhausted the Amount Available for Special Benefits.*

223. These members will continue to be entitled to benefits out of the sums standing to their individual credit until 31st December, 1918, when the balance still available for special benefits should be ascertained in each case, and should be paid forthwith to the member. The remittances should be accompanied by a letter in the terms of the following model letter :—

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* Page 265 of the Scottish Edition and page 262 of the Welsh Edition.

MODEL LETTER A.

Madam,

I have to inform you that, in accordance with the provisions of the National Health Insurance Act, 1918, you are entitled to the payment of the sum of £ , being the unexpended balance of the amount which became available for the payment of special benefits when you ceased to be employed on (or after) marriage; and a for this amount, is enclosed. Kindly sign and return the accompanying receipt.

As from the 1st of January, 1919, you ceased to be entitled to any further benefits *[and your membership of this Society terminated].

* Omit if member again became employed before 1st January, 1919.

The payments will be entered in the Benefits Register in the ordinary way under the heading "Married Women's Credits."

224. Where there is a balance available for special benefits at 1st July, 1918, and that balance is not spent by 31st December, 1918, the fact that the member had again become employed before 1st July, 1918, or becomes employed between 1st July and 31st December, 1918, will not affect her right to the payment. Column 17 of the Membership Register should be completed by the insertion of the date 31st December, 1918. No entry is necessary in Column 18. The alterations book or card should already have been written up when the member was suspended from ordinary benefits.

225. On 1st January, 1920, a return of all the unpaid balances on the Married Women's Credits Account will be called for, and the total sum so outstanding will be transferred from the credit of the Society to the credit of the Reserve Suspense Fund in the Commissioners' Books.

(iv.) *Married Women Who are Special Voluntary Contributors at 30th June*, 1918.

226. The arrears calculations as at 30th June, 1918, should be made as soon as possible after that date, and the sum of 40s. (reduced by the amount of the outstanding arrears debited to the member at 30th June, 1918) should be remitted to the member with following model letter :—

MODEL LETTER B

Madam,

I have to inform you that, in accordance with the provisions of the National Health Insurance Act, 1918, you ceased as from 1st July, 1918, to be entitled to State Insurance benefits.

The Act above mentioned provides for the payment of £2 to you on your ceasing to be entitled to benefits, subject to a deduction of on account of arrears debited to you as at 30th June last.

The sum of £ is therefore due to you, and is forwarded herewith. Kindly sign and return the accompanying receipt.

The payment should be entered in a separate section of the Benefits Register headed "Married Women Voluntary Contributors' Closing Payments."

The Membership Register should be noted in columns 17 and 18, the Alteration Schedule should be completed. An Orange Slip need not be sent to the Insurance Committee as general instructions are being issued to Insurance Committees to remove

from their Registers, as from 1st July, 1918, all Married Women Special Voluntary Contributors. If, as a result of the Insurance Committee's action, or otherwise, it come to the notice of the Society that any of these members have re-entered insurable employment, a fresh index slip (blue) should be issued to the Committee.

227. The date of exit will be 30th June, 1918, except when the member is on the funds at that date; in which case she will remain entitled to benefits as a Class H member until her recovery, and payment in respect of the 40s. will not be made until eight weeks after recovery. The date of exit to be inserted in column 17 of the Membership Register and on the Alteration Schedule will be the date of recovery.

228. If a married woman voluntary contributor has become employed but holds a certificate of exemption (see paragraph 520 of the Handbook), and the additional contributions paid by the employer have not been applied to the payment of contributions or arrears, the balance available for her benefit at 1st July, 1918 (*i.e.*, the excess of column 16 over column 13 of the Suspended Married Women's Register) should be remitted to her with the 40s. If, however, she surrendered her certificate of exemption before 1st January, 1918, and continued in employment, she will have ceased to be a special voluntary contributor, and will not be entitled to either the 40s. or the balance above mentioned. If she surrendered her certificate of exemption on or after 1st January, 1918, the surrender is to be treated as cancelled, and she will be entitled to payment as though she had remained Class H, save that no employer's contributions paid since the date when the certificate was surrendered will be repaid to her (see paragraph 43 above).

(F) Orange Slips.

229. Particular care will be needed in preparing the Orange Slip for a person whose membership terminates through his ceasing to be employed. As soon as the free year expires the date on which medical benefit ceases will be known, and an Orange Slip should be prepared and despatched when the entry in columns 17 and 18 of the Membership Register is made.

(G) Bookkeeping and Accounting.

230. Attention is directed to certain alterations in the Approved Society Consolidated Regulations, 1918, Part V., that are designed to secure strictness and accuracy in recording and accounting for all receipts and payments of money, to promote efficiency in book-keeping generally and to obviate delay in the submission of the books and accounts when called for by the Government Auditor. The principal provisions are :—

Accounts to be Kept by Officers in Receipt or Charge of Money.

(a) Every officer, servant or agent of a Society or branch through whose hands money passes is required to keep an account of all sums received and paid by him on behalf of the Society or

branch, to make up and balance his account at least once a month and to sign and submit the account to the Committee of Management (or a sub-committee duly appointed for the purpose) within one week of the end of the period of account.

Receipts to be Taken for Every Payment.

(b) Every Society or branch (and by consequence every officer, servant or agent) is required to take proper receipts for every payment made in the course of its business under the Acts.

Annual Accounts: Preparation, Adoption and Signature.

(c) All cash books and benefit registers duly made up and balanced are required to be submitted within six weeks after the close of each year, to the Committee of Management of the Society or branch, who, having examined them and caused any necessary corrections to be made therein, are required to adopt the accounts and authorise two of their members to sign them.

(d) Similarly, all books and accounts (other than cash books and benefit registers) are required to be balanced and submitted to the Committee of Management of the Society within six weeks after written intimation has been received from the Commissioners that all advices pertaining to the period of account have been issued by them. The Committee of Management are required, as in the case of the cash books and benefit registers, to examine, adopt, and authorise the signature of, the other books and accounts.

(e) Such abstracts and excerpts from its books and accounts as have to be furnished for purposes of adult must, before being furnished, likewise be adopted by the Committee of Management and signed by two of its members.

Record of Overpayments of Benefit.

(f) A record is required to be kept in a form approved by the Commissioners of overpayments of benefit, showing the way in which such overpayments have been dealt with and the amount debited to the Benefits Suspense Account for each year. (The Regulations prescribe the nature of the unrecovered over-payments which may be treated as expenditure on benefits. The present procedure (see Circular 439/A.G.D.*) is retained.)

Administration Account: Appropriation, etc.

(g) For the purposes of appropriation for Administration Expenses every Society or branch is required in future to show to the satisfaction of the Commissioners that its Membership Register is written up in such a manner that the number of members at the beginning and end of each half-year can be properly ascertained; the number for which the maximum sum may be appropriated is to be ascertained by adding the number of members at the beginning and end of each half-year and dividing the total by two. If the Membership Register is not satisfactorily written up the Administration appropriation must be calculated on the "stamped card" basis, thus leaving out of account among others the members who have ceased to pay con-

* Reprinted on pages 88-96.

tributions but under the 1918 Act have not yet ceased to be members of the Society.

It should be noted that for the purposes of Administration Appropriation " member " does not include a married woman who has been transferred to Class K, but remains entitled only to maternity benefit, her right to sickness benefit having ceased.

Supervision by Committee of Management.

231. The Committee of Management cannot as a rule examine in detail the entries in account books and registers, but as the body responsible to the members for the proper performance of the State Insurance business of the Society or branch they should always pay careful attention to the following matters :—

(1) *Registers.*—At least once a month all registers should be inspected by the Committee of Management or, if the Committee does not meet so often, by a Sub-Committee appointed for the purpose to ascertain that the entries are being kept up to date. Delay in writing up registers means an increase of work in the end. The total entries in the Benefit Registers should be examined in conjunction with the relative cash book entries.

(2) *Cash Books.*—All cash books should be balanced at least once a month, compared with the Bank Pass Book, and a reconciliation statement prepared. The Committee or a Sub-Committee duly appointed as above should, at each balancing, inspect the books and verify the balance shown to be in hand. The Bank Pass Books and reconciliation statement should be examined at the same time. If any officers hold both State side and private side moneys the cash books for both sides should be examined simultaneously and the balances of cash held on account of State business and private business respectively verified.

(3) *Communications from the National Insurance Audit Department and the Commissioners* should be presented to the Committee at the next meeting after the date of receipt and recorded in the Minute Book. The secretary or other responsible officer should at once bring to the notice of the Committee of Management the receipt of notice of audit, and the Committee should take all steps that may be necessary to ensure that the requirements of the Government Auditor are promptly complied with.

(4) *Certified Accounts and Auditor's Reports.*—Certified Cash Summaries and all Audit Reports, including reports on failure to produce accounts should be considered by the Committee at the next meeting after date of receipt and duly recorded in the Minute Book.

(5) *Minute Book.*—The Minute Book should be written-up immediately after each meeting. The minutes should show clearly whether the meeting to which they relate is an annual or a special general meeting, or a meeting of the Committee of Management or of a Sub-Committee thereof. The minutes should always be read at the next meeting, and after adoption signed by the Chairman.

(6) *Resignation, Death or Dismissal of Officer.*—As soon as any officer vacates his office prompt steps should be taken to obtain possession of all books and documents and other property of the Society or branch held by him. If he held any cash on behalf of the Society or branch his cash book should be balanced. The balance as shown by the Cash Book should of course agree with the cash handed over.

(7) *Cheques.*—Cheques should never be signed blank. The object of obtaining two signatures to a cheque is that each signing officer should accept responsibility for the payment. If an officer signs a cheque in blank he defeats the object for which his signature is required.

Contingencies Fund and Other Credits.

232. Provision is made in the Regulations for the opening of a Contingencies Fund Account in the Ledger of each Society. The items to be posted to the credit of this account will be advised by the Commission in the usual manner as soon as they have been ascertained. Advices will be issued in like manner of the items to be credited to the Society's Benefit Fund Account in respect of the additional share of women's contributions and of amounts allotted to the Society from the Women's Equalisation Fund.

Change of Address.

Applications for transfer from the Deposit Contributors' Fund (England) should in future be addressed to :—

THE SECRETARY,
NATIONAL HEALTH INSURANCE COMMISSION,
(ENGLAND),
NORTH SIDE,
WANDSWORTH COMMON,
LONDON, S.W. 18.

Appendix I.

MODEL FORMS.

Form A.S. 73 (Revised July, 1918).

NATIONAL HEALTH INSURANCE.

NOTICE OF DESIRE TO TRANSFER.

To be completed by the Member and forwarded to his present Society.

To the Secretary,

Date of receipt by Society.

.....Approved Society. No.....

.....Branch. No.....

I, the undersigned, hereby give notice that I desire to terminate my membership of the above-named Society as at the first available date upon which I may transfer.

**

I declare that—

I have received from another Approved Society an undertaking in writing to admit me as a member on my being held entitled to transfer.

I have intimated to the Insurance Commissioners that I desire to become a deposit contributor.

† I enclose 2s. in payment of the transfer fee.

† I am not liable to pay any transfer fee, as I entered insurance within the past two years and have not previously been transferred from another Approved Society.

Member's Full Postal Address:—

....

..... Member's Signature .....

..... Member's No. .....

Date .....

This Form has been supplied by the ..... Society, which has given to the insured person notice of provisional acceptance.

**If the Society so requires, the reason for desiring to transfer should be stated here.

† Delete the sentence which is inapplicable.

Form A.S. 73C

NATIONAL HEALTH INSURANCE.

CONSENT TO EARLY TRANSFER.

.....Approved Society. No.....

.....Branch. No.....

To ..... Membership No.....

I have received your notice of desire to transfer from this Society, and notwithstanding that such notice has not been given to the Society eight weeks prior to the first date of transfer, being the date on which the contribution card for the next half-year commences, the Society agree to your transferring as at that date.

.....

Secretary.

Address.....

.....

Date.....

N.B.—This form, when completed, must be sent at once by the Member to the Society he wishes to join.

Form A.S 77 (Revised July, 1918).

NATIONAL HEALTH INSURANCE.

PROVISIONAL ACCEPTANCE OF TRANSFERRING MEMBER

.....Approved Society. No.....

To .... Branch. No.....

I certify that the above-named Society will admit you to membership on your ceasing to be a member of your present Society in accordance with the Regulations of the Insurance Commissioners relating to the transfer of insured persons.

.....Secretary.

Address.....

Date ....

.....

NATIONAL HEALTH INSURANCE.

POSITION OF INSURED WOMEN ON MARRIAGE.

1. An insured woman who marries is required to give notice of her marriage to her Society within eight weeks thereafter, and any woman who fails to comply with this requirement is liable to a penalty. If, owing to the failure of a woman member to notify her Society of her marriage, more sickness benefit is paid to her than she is properly entitled to receive, the Society is entitled to deduct the excess from any benefits which may subsequently be payable to her.

2. An insured woman who is employed up to the date of her marriage ceases to be entitled to the ordinary benefits as soon as she has been unemployed (otherwise than by reason of sickness) for eight consecutive weeks within a year after her marriage, and certain special provisions then apply to her. If her employment ceased more than eight weeks before her marriage, she comes under the special provisions immediately on her marriage. If she left work within eight weeks before her marriage, she comes under the special provisions as soon as the eight weeks are completed.

3. The eight weeks of unemployment are reckoned from the end of the week in which the woman was last employed, or in which she again became capable of work after a period of incapacity. A woman who continued at work for more than a year after marriage without having had eight consecutive weeks of unemployment does not come under the special provisions, but on subsequently ceasing to be employed is treated in the same way as insured persons generally.

4. The special provisions referred to above for married women who cease to be employed are as follows:—

In place of the ordinary benefits they become entitled (subject to arrears) to the following special benefits:—

(1) Sickness benefit at the rate of 5s. 0d. a week, for not more than 6 weeks in all, during the period of twelve months commencing on the expiration of the eight consecutive weeks of unemployment, or where the eight weeks of unemployment ended before marriage, during such balance of the period of twelve months as is subsequent to marriage.

(2) Maternity benefit of 30s. 0d. on the first confinement after the expiration of the eight weeks, or, if the eight weeks ended before marriage, on the first confinement after the date of marriage, provided in any case that the confinement occurs within two years after the date of marriage.

(3) Medical benefit and sanatorium benefit until the end of the calendar year next following that in which the eight weeks of unemployment ended.

5. If a married woman who has become entitled to the above special benefits returns to employment, she is treated as if she had entered insurance for the first time on so becoming employed. If, however, she returns to employment within two years of her marriage, she continues to be insured for the special benefits (subject to the time limits referred to above) during the waiting periods for the ordinary benefits in respect of her new insurance.

6. A woman who has not returned to work within two years after her marriage ceases to be insured, and her membership of her Society also ceases.

7. A married woman cannot be a voluntary contributor, but a woman who was a voluntary contributor up to the date of her marriage becomes, on marriage, entitled to the special benefits referred to above.

Form A.S/82

NATIONAL HEALTH INSURANCE.

ADVANCES OF BENEFIT IN COMPENSATION CASES.

Part I.

Notice of Advance.

Notice by an Approved Society of Advances made or intended to be made to an Insured Person pending settlement of his Claim for Compensation or Damages.

To (*insert name and address of person liable to pay compensation or damages*).

I hereby give you notice that the Approved Society named below in pursuance of sub-section (3) of Section 11 of the National Insurance Act, 1911, *has made / has made and intends to make / intends to make* *an advance / advances to (*insert full name and address of insured person*), an insured person, pending the settlement of his claim against you for compensation or damages.

In terms of sub-section (1) of Section 19 of the National Health Insurance Act, 1918, you are liable, on demand and on being furnished with proof in the prescribed form of the amount of the advances, to repay to the Society the amount advanced. Where, however, that amount exceeds the amount which you are liable to pay as compensation or damages (less such part, if any, as you have already duly paid at the time of receiving this notice), the amount payable to the Society will be the amount which you are liable to pay as compensation or damages as aforesaid. The receipt of the Society shall, up to the amount of the repayment, be a full and valid discharge to you in respect of the compensation or damages payable by you to the said insured person.

Section 19. (1) also provides that if you give to the Society notice in the prescribed form ("Notice of Settlement") that you intend to pay or have paid compensation or damages, you will not be under any obligation to make any repayment to the Society in respect of any advance made after the date of payment of the compensation or damages or where you pay the compensation before the notice is received by the Society after the time at which your notice is received by the Society.

A copy of the prescribed form of notice of settlement is attached.

Signature .....

Designation .....

Address .....

Name of Approved Society.....

Name of Branch .....

Address of Society .....

Date .....

* Delete the words which are inapplicable.

PART II.

Notice of Settlement.

Notice to Approved Society by Person liable to pay Compensation or Damages to an Insured Person of payment or intention to pay.

With reference to your notice dated .....

I hereby give you notice that on (*here insert date or proposed date of payment*) I paid / intend to pay compensation or damages to (*insert full name and address of the insured person*).

Signature .....

Address .....

Date .....

Note.—This notice should be addressed to the person signing the Notice on behalf of the Approved Society.

Form A.S. 182(a)

NATIONAL HEALTH INSURANCE.

ADVANCES OF BENEFIT IN COMPENSATION CASES.

Statement of Advances Made.

Statement of Advances made by ..... Approved Society in accordance with the provisions of Section 11 (3) of the National Insurance Act, 1911, pending the settlement of the Claim for Compensation or Damages by ....., an Insured Person, against.....

Date of each Advance. Year.	Date.	Person to whom Payment made.	Amount of each Advance. £	s.	d.
			£	:	:

I hereby certify that the several payments of benefit above specified, amounting in all to ....., were made by way of advance by the above-named Approved Society in accordance with the provisions of Section 11 (3) of the National Insurance Act, 1911, pending the settlement of the said claim by the said insured person for compensation or damages.

Signature .....

Designation of Officer signing Statement .....

Name of Approved Society.....

Name of Branch .....

Address .....

Date .....

Appendix II.

REPRINTS OF CIRCULARS.

Circular A.S. 187

MEMORANDUM ON THE WORKMEN'S COMPENSATION (WAR ADDITION) ACT, 1917.

The Workmen's Compensation (War Addition) Act, 1917, which came into force on 1st September, 1917, provides that during the period of the war and six months thereafter a workman who is entitled to a weekly payment as compensation under the Workmen's Compensation Act, 1906, in respect of total incapacity shall receive from his employer an additional sum equivalent to one-fourth of the amount of such weekly payment, whether the incapacity arose before or after 1st September, 1917. The Act also provides that in the case of a scheme certified by the Registrar of Friendly Societies under the Workmen's Compensation Act, 1906, the Registrar may direct that a similar addition shall be made to the benefit payable under such scheme.

As it appears that some misapprehension may arise as to the effect of this Act upon the rate of benefit payable by Approved Societies under the provisions of Section 11 of the National Insurance Act, 1911, the Commissioners desire to inform Societies that additional sums payable under the Workmen's Compensation (War Addition) Act, 1917 (which under the Act are deemed to be compensation for certain specified purposes only) cannot for the purposes of that Section be regarded as compensation, and that no account can therefore be taken of such sums in determining the amount of sickness or disablement benefit payable to an insured person. Thus when an insured person would ordinarily be entitled to compensation in respect of total incapacity at the rate of 8s. per week he will now be entitled to receive an additional 2s. a week under the new Act, but in calculating the sickness benefit payable to him regard will only be had to the 8s. a week, and he will therefore be entitled subject to the usual conditions as to arrears, &c., to sickness benefit at the rate of 2s. a week.

Circular 439/A.G.D.

EXPENDITURE BY APPROVED SOCIETIES NOT CERTIFIED BY THE GOVERNMENT AUDITOR.*

1. The Insurance Commissioners have had under consideration the certificates and reports of the Government Auditors on the accounts of Approved Societies. They have also received from the Treasury the Report of the Public Accounts Committee of the House of Commons on the subject of expenditure by Approved Societies which the Auditors have been unable to pass (H.C. 270, Sess. 1915, Section 11).

2. An approved Society has power to spend money only on the benefits and expenses authorised by its Rules in accordance with the Act and Regulations. In so far as it spends any moneys entrusted to it otherwise than on those benefits and expenses, these moneys are repayable to the National Health Insurance Fund, and it follows that in principle any moneys so spent ought to be recovered either from those persons who received the irregular payment or from those who were responsible for making it.

3. The Commissioners recognise, however, that there will always be cases in which recovery will be impossible, and others in which it would involve undue hardship. In the first year of the Act's operation, especially, Society officials were carrying out provisions of an intricate character, which were to a large extent new to them, under circumstances of very great pressure. The Commissioners realise that for these reasons some latitude in dealing with initial mistakes ought to be given, always provided that those mistakes are not recurring.

4. The procedure which the Commissioners after careful consideration have adopted is set forth in the following paragraphs (5 to 17) which

* See note on page 96 as to application to Branches

Societies should, for the future, carefully follow. **It will apply to overpayments and irregular payments in the accounts which have already been audited, except as regards the special cases of irregular payment mentioned in paragraph 18.**

I.—ADMINISTRATION.

5. The Auditor's reservations with regard to administration expenditure fall under four main heads :—

(*a*) Expenditure which is justifiable but lacks the necessary express authority of the Society's rules;
(*b*) Expenditure which would be allowable if duly authorised in the manner laid down by the Society's rules;
(*c*) Expenditure not supported by the necessary vouchers;
(*d*) Expenditure which should be recovered.

6. In cases falling under head (*a*) the necessary steps should at once be taken to amend the rules, if this has not already been done, and if the amendment is to cover past expenditure, it must be drawn with retrospective effect. Where payments have been made to members of a Committee of Management improperly constituted or to officers not lawfully appointed, the Society must immediately take steps to put matters on a proper footing for the future; the Commissioners will be prepared to advise Societies in such circumstances whether the irregular expenditure or any part of it, if otherwise reasonable, may be allowed to remain in the Administration Account or whether it must be recovered. Where the appointment or remuneration of officers and of members of the Committee of Management of the Society is in question, further information as to amendment of rules will be found in Circulars A.S. 97 and A.S. 102.*

7. Uncertified expenditure falling under head (*b*) will be regularised if steps are taken at the earliest possible opportunity to procure the necessary authority as indicated in the Auditor's report. Where Societies' rules provide that certain items of remuneration or other administration expenditure shall be authorised either at the Annual General Meeting or by the Committee of Management, it is essential that such authority should be sought at the next opportunity, and, when obtained, duly recorded in the Minute Book. Where in cases falling under head (*a*) or (*b*) the necessary authority for the expenditure incurred is not obtained, the expenditure must be dealt with by recovery or otherwise as in cases falling under head (*d*). Expenditure under head (*c*) can be regularised by obtaining an acknowledgment of payment and full details of the item from the payee; this should be countersigned by the officer by whom the payment was made. Such evidence should be dealt with from time to time by the Committee, and produced at the next Audit, in the same way as the evidence produced in connection with unvouched expenditure on benefits (see paragraph 10).

8. Under head (*d*) is comprised all improper administration expenditure which cannot be regularised in the manner described in paragraphs 6 and 7, and must accordingly be recovered and credited to the Administration Account. In particular the Auditor must be satisfied that all expenses incurred partly on account of State business and partly on account of private side business have been fairly apportioned. If in his report he states that he is unable to certify the amount apportioned to the State side the Committee of Management must make available at the audit all information on which apportionment is based and if necessary must revise the apportionment forthwith in such manner as to satisfy the Government Auditor that the charge remaining in the State Administration Account is reasonable and proper.

Regulations made by the Scottish, Irish and Welsh Commissioners forbid meetings of Approved Societies on licensed premises, and Societies which incurred expenses in this connection should present the full facts to the Commissioners concerned, who will consider each case on its merits.

* Circular A.S. 102 was not issued to Scottish Societies.

II.—BENEFITS.

9. The uncertified expenditure can be classified under the following heads :—

(*a*) Charges which are not supported by the necessary vouchers or other documents.

(*b*) Expenditure not in accordance with the Acts.

(a) Unvouched Charges.

10. Under this head falls expenditure not supported by satisfactory evidence of payment (*e.g.*, receipts) or, in the case of sickness or disablement benefit, of the member's incapacity (*e.g.*, declaring on and off notes and medical certificates) or in the case of members under 21 who were paid benefit at the full rate, of the fact that they were married or had dependants. If the Society can obtain evidence to take the place of the missing voucher it will not be necessary to take steps to recover the overpayment. The evidence required is as follows :—

(i) *When evidence of payment is required*, an acknowledgment of payment should be obtained from the payee and countersigned where possible by the officer by whom the payment was made.

(ii) *Where evidence of incapacity or of confinement is required*, a signed statement from the member of the nature and duration of sickness or of the fact of confinement should be obtained. This should be supported by a statement in writing from some responsible person who is in a position to certify the facts. Under the new Medical Certification procedure difficulties of this kind should not recur.

(iii) *Where evidence of having dependants is required*, a statement from the member as to the persons dependent on him during the period concerned should be obtained and verified.

(iv) *Where evidence of age, marriage, nationality and occupation is required*, application forms, certificates or other evidence satisfactory to the Auditor should be obtained.

From time to time the evidence so obtained should be considered by the Committee of Management, and where the Committee is satisfied that the payments had been actually and properly made a resolution to the following effect should be passed and recorded in the minute book :—

"The (further) documentary evidence obtained by the Secretary,
"with reference to the payment of benefits amounting to
"£ was considered by the Committee
"and the Committee was satisfied that the following pay-
"ments were actually and properly made :————————"
[Specify the payments in question.]

The documents and minute book must be available for the Auditor at his next visit.

The Committee when considering these cases should be careful to see that the payments are otherwise in order. For instance, the Auditor may have had to refuse to certify a charge for sickness benefit, because no vouchers were produced, but if they had been produced it might have been found that the payment was irregular for other reasons. When obtaining the required evidence, therefore, the Society should also ascertain whether the member was entitled to the benefit paid.

(b) Expenditure not in accordance with the Acts.

11. The following are the commoner kinds of overpayments :—

i. Payments made to members who had not paid the qualifying number of contributions (but see paragraph 18).

ii ,, ,, at wrong rates to aliens.

v.	iii.	Payments made	for first three days of incapacity.
	iv.	,, ,,	for Sundays reckoned as part of period of benefit when rules provide a six-day week.
	v.	,, ,,	for first six weeks for Section 47 members.
	vi.	,, ,,	of sickness benefit for more than 26 weeks.
	vii.	,, ,,	to members after they became 70 where they were not entitled to benefit after attaining that age (see Table F. 1).
	viii.	,, ,,	at full rates to members over 50 (prior to 13th October, 1913).
	xi.	,, ,,	to Class A 3 or E 3 members contrary to rules.
	x.	,, ,,	to Class H members for sickness during the 2 weeks before, and to Class H or unmarried members during the 4 weeks after confinement when the illness was either directly or indirectly connected with childbirth.
	xi.	,, ,,	to Hospitals, Convalescent Homes (in the absence of previous agreements) in respect of members who were inmates of such institutions, or to Poor Law Guardians in respect of members who were inmates of workhouses.
	xii.	,, ,,	at wrong rates to unmarried minors without dependants during the second 13 weeks of sickness.
	xiii.	,, ,,	otherwise than by way of advance to members entitled to receive compensation (Section 11 of the National Insurance Act, 1911).
	xiv.	,, ,,	in excess owing to errors in rate or of calculation.
	xv.	,, ,,	at excess rates to members who are in arrear.
	xvi.	,, ,,	irregularly to voluntary contributors.

12*. The above, and any other irregular payments, being contrary to the provisions of the Acts and made at the expense of the other members of the Society, ought when possible to be recovered either from the member who received the benefit to which he was not entitled, or in certain circumstances from the official who wrongly caused it to be paid. The Commission will not press Societies to take any action when the overpayment to any individual is less than 1s.,† but with this exception (and subject to paragraph 18 below), unlawful payments of benefit must be made good to the benefit funds.

13*. As regards the methods of recovery which are open to a Society in ordinary cases of overpayment of benefit the Commissioners are advised that the Society stands to the member in the ordinary relation of creditor to debtor. The Society would accordingly be justified, in cases where, having regard to all the circumstances, it would not be unreasonable or oppressive to do so, in taking such steps as any creditor could properly take with a view to the recovery of a debt. The Society's power of recovery from a member must not, however, be abused. In cases where hardship would be involved in recovering the whole amount due from the member in one payment the question of payment by instalments should be considered. Cases have also come to the notice of the Commissioners in which the overpayment has been due to some action or omission by an officer of the Society of such a character that the repayment ought to have been required from the Officer and not from the member. The Society's rights and powers of recovery from the member are not affected by the provision whereby the Commissioners may recover by process of law under Section 71 of the Act. This section in the view of the Commissioners could only be resorted to with advantage

* See note on page 96 as to application to Branches.
† By Circular 439A/A.G.D. this amount was increased to 1s. 8d.

in very exceptional cases. If after all reasonable steps have been taken by the Society, recovery proves impossible, the Commissioners are prepared to allow the overpayments to be made good from the Administration Account in the manner explained in paragraphs 15-16.

III.—ACCOUNTING INSTRUCTIONS FOR DEALING WITH IRREGULAR PAYMENTS.†

14. To deal with irregular payments the Society will be required (i) to keep a detailed "Record of Overpayments," and (ii), to open a special account to be called the "Benefits Suspense Account" in the ledger.

The "Record of Overpayments" should, if such a book is not already kept, be opened, and in it should be entered against the member's number the amount of benefit overpaid within the account period, whether discovered by the Society itself or reported by the Auditor. In a separate section of the book particulars of Administration overpayments should be entered. The "Record of Overpayments" will not form part of the debit and credit accounting system of the Society, but will be a permanent detailed record of the uncertified expenditure and of the manner in which such payments are disposed of.

A model form of ruling for this record is given below :—

Record of Overpayments.

BENEFITS. *Period ended*.....191 .

Membership No. and Class.	Amount.	S.D. or M.	Date of recovery.	Amount recovered.	Amount recharged to Benefit Account or charged to Administration Account	Account. and year of account to which amount is recharged (i.e. Benefits or Administration).	Reference to Minute Book or Commrs.' letter.	Notes.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	£ s. d.			£ s. d	£ s. d.			

ADMINISTRATION. *Period ended*.....191.

Nature of uncertified or irregular payment.	Amount.	Date of recovery.	Amount recovered.	Amount regularised.	Reference to Minute Book or Commrs.' letter.	Notes.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£ s. d.		£ s. d.	£ s. d.		

Benefits Suspense Account.*

15. (*a*) The whole amount of benefits found to have been overpaid for the period to 11th January, 1914, whether discovered by the Society itself or by the Auditor (except amounts dealt with in paragraph 18 and amounts recovered before 1st January, 1916) should be debited in the ledger for 1916 to the "Benefits Suspense Account for the period to 11th January, 1914." This account will form part of the Society's accounts for the year 1916 and the amount debited to it should be credited to the 1916 Benefit Fund Account.

* A summary of each year's Benefits Suspense Account will be required with the annual accounts of the Society, showing separately the debits and credits in respect of men and women—British subjects and aliens.

† See note on page 96 as to application to Branches.

(*b*) Sums recovered in respect of overpayments* which have been debited to the Benefits Suspense Account for the period to 11th January, 1914, should be entered in the Cash Book as they are received and should in due course be credited to the Benefits Suspense Account in the Ledger (but see paragraph (*d*) if the Benefits Suspense Account is closed).

(*c*) When unvouched benefit expenditure is approved by the Committee of Management in accordance with the instructions in paragraph 10 the amounts so passed should at once be credited to the Benefits Suspense Account for the period to 11th January, 1914, and debited to the 1916 Benefit Fund Account.

(*d*) When preparing the accounts for the year 1916 for audit the Benefits Suspense Account for the period to 11th January, 1914, must be closed by debiting to the 1916 Administration Account the balance in the Benefits Suspense Account. Any part of that balance which is recovered after the Suspense Account has thus been closed must be credited direct to the Administration Account for the year in which the recovery is made.

(*e*) Improper expenditure on Administration will remain a charge against the Administration Account until it is recovered, unless in a particular case the Commissioners require otherwise, and will therefore not be carried to a Suspense Account. It will nevertheless be entered in the Record of Overpayments (Administration Section) as explained in paragraph 14.

16. (*a*) Similarly Benefits Suspense Accounts for 1914 and 1915 should be opened and debited with the amount of benefits found to have been overpaid in the respective periods (except overpayments recovered before 1st January, 1916, and cases dealt with in paragraph 18). The amounts so debited should be credited to the Benefit Fund Account for the year current at the date on which the debits to the Suspense Account are made. Sums recovered and sums passed by the Committee of Management should be brought into account in the manner explained in paragraphs 15(*b*) and (*c*). Both these Suspense Accounts must be finally balanced, and the balances transferred to Administration Account in the 1917 Ledger, when the Society's accounts for 1917 are being prepared for audit.

(*b*) Benefits overpaid for the year 1916 should be debited to the "Benefits Suspense Account for 1916" and credited to the Benefit Fund Account in the Ledger for the year current when the debit is made and must be finally balanced when the accounts for 1918 are submitted for audit.

(*c*) It is most important that all overpayments should be regularised or recovered without delay as otherwise a further charge on the Administration Account will be incurred, involving the possibility of a deficiency to be met by a levy on the members. The Commissioners will take special action in the case of any Society or Branch the audit of whose accounts has been abnormally delayed through non-production of books and vouchers.

(*d*) Provision will be made in the forms of account for 1916 and future years to show the amount carried to Administration Account by reason of improper expenditure, which has not

* It should be borne in mind that where with the consent of a member the recovery of a past overpayment is made from him at the time of payment of benefit due later the member's receipt should show clearly the gross amount of benefit due and the amount of the past overpayment recovered. The full amount of the benefit due should be shown in the Cash Book and the Benefits Register, the amount of the past overpayment being entered in the Cash Book and the Benefits Suspense Account as Benefits Recovered.

been regularised or recovered. In the copies of the annual accounts published for the information of members the amount in question must be clearly stated.

IV.—CLEARANCE OF RECORD OF OVERPAYMENTS.

17. Amounts recovered should be entered in the Record of Overpayments in the column so headed and the date of recovery noted; no entries in the remaining columns are in such cases necessary. Sums in respect of (*a*)benefits written back to Benefit Fund Account in accordance with paragraph 15 (*c*) or with any instructions received from the Commissioners and of (*b*) administration expenses regularised as explained in paragraphs 6-7, should be entered in column (6) as regards Benefits, and column (5) as regards Administration, and a note of the year and of the page of the minute book or of the number of the Commissioners' letter should be made in the columns provided for that purpose. Benefit overpayments found to be irrecoverable and written off to Administration Account should be entered in column (6), the year of account, the word "Administration" being quoted in the next column, and a brief note of the circumstances (*e.g.*, "Dead," "Gone, no trace") should be made in the notes column. If when the Benefits Suspense Account is finally balanced (see paragraphs 15-16) there are items still left in the Record of Overpayments which although written off to Administration Account may yet be recovered, an entry should be made in column 9 that the item remains outstanding, and a further note should be made in due course when the amount is either recovered, or given up as irrecoverable under a duly recorded resolution of the Committee of Management.

V.—SPECIAL ARRANGEMENT FOR CERTAIN IRREGULAR PAYMENTS.*

18. Representations have been received from many Societies concerning the difficulties of administering sickness and maternity benefits during the early stages of the operation of the Act when employers were unaccustomed to their duties in the payment of contributions and members failed to realise the importance of preserving their cards during currency and of surrendering them to the Society at the end of the contribution period. A certain number of members of Societies had doubtless been liable to insurance as employed contributors for some time before contributions began to be paid for them; and others had lost their stamped cards. The Commissioners recognise the exceptional difficulties attending the administration of benefits under the Act in the initial stages, and if they are satisfied that a Society had taken all steps reasonably practicable to guard against infringement of the Act and the Regulations, they are prepared to give special consideration to cases in which payments during the first benefit year to 11th January, 1914, were made to employed contributors who had not, according to the record in the Membership Register, been in insurance 26 weeks or had not, according to the record in the Contribution Register, paid 26 contributions before the date of the claim. After the first year of benefits Societies should have experienced no difficulty in determining whether the qualifying contributions had been paid.

The Commissioners also understand that owing to the expiry of the second contribution year at the end of the 103rd week after the commencement of the Act many Societies in counting qualifying contributions for disablement benefit assumed that once a contributor had paid contributions for the first two contribution years in full he had paid 104 contributions. The Commissioners are prepared to agree that, in the circumstances, some special treatment of these cases can be justified. The remaining qualifying contribution should, however, be paid at once if not already paid.

No steps for recovery need be taken in these cases nor need any entries be made in the Record of Overpayments or Benefits Suspense Account. The Societies concerned should communicate specially with the Commissioners, setting forth fully the circumstances respecting each such case of

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* See note on page 96 as to application to Branches.

improper payment, and they will then be instructed as to the steps which should be taken by the Society.

Similarly no steps should be taken to recover benefits paid to persons who subsequently prove not to be insurable (see Circular A.S. 105), and no entries in the Record of Overpayments or Benefits Suspense Account should be made in respect of the payments.

VI.—GENERAL.

19. The Auditor's reports may also contain comments with reference to banking arrangements, security, office organisation and the general condition of the Society's books. These are matters which should receive the immediate consideration of the Committee of Management, and steps should be taken to rectify any irregularities or defects so disclosed. The Commissioners will have to regard as evidence of serious maladministration any cases where the Auditor finds it necessary to comment in subsequent reports on matters to which he has already called the attention of the Society.

Recoupment to Approved Societies of the Cost of Sickness and Disablement Benefits Paid to Invalided Sailors and Soldiers for Disabilities Due to War Service.

1. The Government have decided to relieve Approved Societies of the burden imposed on their funds by the payment of sickness and disablement benefits to sailors and soldiers discharged during the war *on account of wound and illness*, so far as it is estimated to be attributable to war service.

2. It is clearly impracticable for Societies to analyse all benefit payments to discharged men and distinguish those due to war service from those due to ordinary causes, and it is therefore proposed to assess the proportion of the total payments to invalided men which is to be regarded as due to war service.

3. The assessment will be made after an actuarial investigation into the sickness claims of a large sample of discharged men of all ages and occupations spread over all parts of the United Kingdom. The assessment when determined will be applied to all Societies.

4. The first assessment will apply to the period from the beginning of the war to 31st December, 1916; a fresh assessment will be made for 1917 and for each year thereafter until 31st December, 1920, when the whole position will be reviewed.

5. Every Society and Branch having members who were or who may hereafter be discharged from the Navy or Army during the present war must make arrangements for recording separately in future the amounts of sickness and disablement benefit paid to *invalided men discharged during the war* in order to secure that the total amount paid and the amount of any overpayments recovered each year can be readily arrived at for the annual summary return.

6. A note should be made in the Membership Register against the name of every member who has been a sailor or soldier and has been discharged invalided during the present war thus:—

$$\textit{Invalided from } \frac{\textit{Navy}}{\textit{Army}} \quad \textit{Date.}$$

[*Note.*—care must be taken *not* to treat, as invalided, men who have been transferred to the reserve on being released from military service for munition and other national work.]

7. As regards benefits paid on and after 1st January, 1917, where the Benefits Register is kept in the official book form it will probably be found convenient to record the payments to invalided sailors and soldiers in a separate section of the Register and to make a separate entry of the total in the Summary of the Benefits Register. If the number of discharged sailors and soldiers is too small to justify the payments being recorded in

a separate section of the Register, the words "*invalided sailor or soldier*" should be entered in red ink below the entry of the man's name in Column 3 of the Benefits Register; in the latter case it will be necessary at the end of each half-year for the total amount paid to each such member, as shown by Columns 13 and 14 and Columns 17 and 18, to be extracted on to a half-yearly schedule, which should be totalled, and the totals of these half-yearly schedules should be separately entered in the summary of the Benefits Register for the respective half years.

Where the Benefits Register is kept in a card or loose leaf form it will probably be found most convenient to record separately week by week the payments of sickness and disablement benefits to invalided sailors and soldiers, and to show the total separately in the weekly summary of benefit payments.

8. Refunds of overpayments of sickness and disablement benefits made to invalided sailors and soldiers since discharged should be distinguished from other refunds, and should be set against the gross payments of benefits to such members in each half-year's Benefit Summary.

9. The total amounts of sickness and disablement benefits paid to and the amounts of overpayment recovered from invalided sailors and soldiers by a Society or Branch in the year 1917, and subsequent years, will be entered by the Auditor under special headings in the Cash Summary for the year concerned. Upon receipt of that return for any year duly certified by the Government Auditor, the amount due to the Society or Branch under the scheme of recoupment will be placed to the credit of the Society in its current account with the Commissioners.

10. For periods prior to 1st January, 1917, steps must at once be taken to earmark the payments made and overpayments recovered up to 31st December, 1916, inclusive, and to extract the necessary particulars for the purpose of submitting a claim to the Commissioners on Form 446a/I.A.G.D. The necessary credit will be given to Societies after the forms have been certified by the Government Auditors.

Extract from Circular 439A/A.G.D.

8. Some misapprehension appears to have arisen as to the general meaning of paragraphs 12 and 13 of the Circular. There is no intention on the part of the Commissioners to require Societies to attempt recovery of all overpayments. Cases will necessarily arise which do not fall within paragraph 3 of this Circular, in which recovery would impose an unconscionable hardship. Such unrecovered overpayments cannot be allowed to remain a charge on the Benefit Fund, but will be carried to the appropriate Benefit Suspense Account and thence to the Administration Account. The question of recovery from the official responsible for the overpayment is one for decision by the Society, but recovery would not as a rule be required from an officer unless he proved to be guilty of culpable negligence or of a deliberate refusal to observe instructions.

NOTE ON APPLICATION OF CIRCULARS 439 AND 439A/A.G.D. TO BRANCHES.

Circulars 439 and 439A/A.G.D. were not issued to Branches. Each Head Office of a Society with Branches made special arrangements for the application to its Branches of the instructions contained in the circulars. While the procedure outlined in the circulars is generally applicable to Branches, certain modifications have been allowed (*e.g.*, the Benefits Suspense Accounts are kept at the Head Office). A Branch should therefore always correspond with its District or Head Office on matters relating to improper expenditure.

Appendix III.

Form 702
A.G.D.

MARRIAGE REGISTER.

PART A.				PART B.									PART C.
To be completed on Intimation of Marriage.				To be completed when Member becomes Class K.									To be completed if Member did not become Class K.
(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(5)				(6)	(7)	
Member's Number.	Year of Birth.	(a) Surname before Marriage. (b) After Marriage.	Date of Marriage.	Date of Un-employ-ment.	Date when right to Maternity Benefit ceases.	Date when right to Sickness Benefit ceases.	Date of Payment of Maternity Benefit.	Duration of each period of Class K. Sickness Benefit.				Date of return to employment if before date shown in Col. (3).	Orange Slip sent.	Date of expiry of year from Marriage.
								1st Prd. w.d.	2nd Prd. w.d.	3rd Prd. w.d.	4th Prd. w.d.			

Appendix IV.

MEMBERSHIP ALTERATION SCHEDULES.

Form 704
A.G.D.

(I) Membership Alteration Schedule. (A).

For the period from.....to.....

MEN.

Particulars in respect of Persons becoming members or of alteration of membership particulars.

In column "Nature of Alteration," state whether—

(1) New Entrant.

(2) Re-entry if before 1st July, 1918. (State in Remarks column date previous Insurance ceased.)

(3) Transfer in. (State in Remarks column, Number of Society or Branch from which Transferred or if from Deposit Contributors Fund, state from D.C.F.)

(4) Alteration of membership particulars including change of class. (State nature of alteration in Remarks column.)

(1) Member's Number.	(2) Surname.	(3) Date of Birth. If unknown, deduct age next birthday from year of entry and enter result in place of date of birth. Day.	Month.	Year.	(4) Class.	(5) Date of Entry into Insurance. Day.	Month.	Year.	(6) Nature of Alteration. To be stated by reference to Nos. (1) to (4) as above.	(7) Date of Alteration. Day.	Month.	Year.	(8) Remarks.	For use by Insurance Commission.

(II) Membership Alteration Schedule. (B).

Form 705 A.G.D.

For the period from.....to.....

MEN.

Particulars in respect of persons ceasing to be members.

In column "Nature of Alteration," state whether—

(1) Death. (2) Transferred. (3) Became Deposit Contributor by expulsion or otherwise. (4) Cessation of membership from other causes.

(1) Member's Number.	(2) Surname.	(3) Date of Birth. If unknown, deduct age next birthday from year of entry and enter result in place of date of birth.			(4) Class.	(5) Date of Entry into Insurance.			(6) Nature of Alteration. To be stated by reference to Nos. (1) to (4) as above.	(7) Date of Alteration.			(8) Remarks.	For use by Insurance Commission.
		Day.	Month.	Year.		Day.	Month.	Year.		Day.	Month.	Year.		

(III) Membership Register Alteration Schedule. (C).

Form 706 A.G.D

For the period from.....to.....

WOMEN.

Particulars in respect of persons becoming members or of alteration of membership particulars.

In column "Nature of Alteration," state whether—

(1) New Entrant.
(2) Re-entry (a) if before 1st July, 1918 (State in Remarks column date previous insurance ceased.)
(b) Married Woman who after 1st July, 1918, has re-entered within a year of becoming unemployed under Section 22 of the Act of 1918.
(3) Transfer in.
(4) Alteration of membership particulars including change of class. (State nature of alteration in Remarks column.)
(5) Death of husband of contributing woman.
(6) Continuation of employment for more than a year where a woman has married after 1st July, 1917. (Date of marriage to be given as date of alteration.)

(1) Member's Number.	(2) Member's Surname.	(3) Spinster, Married, or Widow. Insert S., M. or W.	(4) Date of Birth. If unknown, deduct age next birthday from year of entry and enter result in place of date of birth. Day.	Month.	Year.	(5) Class.	(6) Date of Entry into Insurance. Day.	Month.	Year.	(7) Nature of Alteration. To be stated by reference to Nos. (1) to (6) as above.	(8) Date of Alteration. Day.	Month.	Year.	(9) Remarks.	For use by Insurance Commission.

Form 707
A.G.D.

(IV) Membership Register Alteration Schedule. (D).

For the period from.....to.....

WOMEN.

Particulars in respect of persons ceasing to be members or marrying.

In column "Nature of Alteration," state whether—

(1) Death.
(2) Transferred.
(3) Became Deposit Contributor by expulsion or otherwise.
(4) Cessation of membership from other causes.
(5) Marriage. (State name of Husband in Remarks column.)
(6) (a) Suspension under Section 44 (1). If become a Special Voluntary Contributor state S.V. "Class H" in Remarks column.
(b) Ceased to be entitled to ordinary benefits under Section 22 of 1918 Act.

(1) Member's Number.	(2) Member's Surname.	(3) Spinster, Married, or Widow. Insert S., M. or W.	(4) Date of Birth. If unknown, deduct age next birthday from year of entry and enter result in place of date of birth.			(5) Class.	(6) Date of Entry into Insurance.			(7) Nature of Alteration. To be stated by reference to Nos. (1) to (6) as above.	(8) Date of Alteration.			(9) Remarks.	For use by Insurance Commission.
			Day.	Month.	Year.		Day.	Month.	Year.		Day.	Month.	Year.		

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